



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

### AGENDA

#### BOARD OF COMMISSIONERS MEETING

JANUARY 10, 1979--@ 1:00

ADMINISTRATION BUILDING

133 STATE STREET, 2nd Floor Conference Room

1. Review and approval of minutes of November 30th meeting.
2. Discussion with Estey Denkinger regarding Grand Isle.
3. Review of request from Bill Flanders for commitment of permanent "take-out" on South Burlington condominium project.
4. Preliminary review of Milton Elderly Housing proposal. (Enclosure)
5. Preliminary review of Alburg Elderly Housing proposal. (Enclosure)
6. Review of possible approval of line of credit documents - Hartford National Bank.



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

VERMONT HOUSING FINANCE AGENCY

BOARD MEETING

NOVEMBER 30, 1978

2:00 p.m. @ OLDE WINDSOR VILLAGE

Present: Chairman Field, Vice Chairman Shaw, Commissioners Ledbetter, Spangler and Hebard; Director Hunt, Staff - Ms. Thielen, and Ms. Detora; VHFA counsel Ms. Phillips; Agency of Development and Community Affairs, Mr. Driscoll; Owners of Olde Windsor Village, Mr. Fish and Mr. Doherty.

The minutes of the November 9 meeting were read and upon a motion by Commissioner Shaw and seconded by Commissioner Hebard, the minutes were unanimously approved.

Next a resolution authorizing the permanent financing for Olde Windsor Village was introduced by Commissioner Shaw upon a second by Commissioner Ledbetter. The attached resolution was approved unanimously.

Commissioner Shaw next introduced resolutions authorizing the permanent financing for Manchester Meadows and Middlebury Meadows. Upon a second by Commissioner Hebard, the resolution was approved unanimously.

Executive Director Hunt passed out guidelines he was recommending being approved relating to suggested distance guidelines that sites approved by VHFA should meet. The Commissioners expressed differing opinions as to the need for and the strength of the guidelines. Upon motion of Commissioner Spangler and seconded by Commissioner Hebard, the Commissioners adopted the following resolution:

WHEREAS, HUD Section 8 regulations require VHFA to certify to HUD that each development is "Accessible to social, recreational, educational, commercial, and health facilities and services..." Now, therefore, in order to further define these criteria, the Board recommends the guidelines approved hereto.

The Board next reviewed the memo from Donald Dickson on the staff's meeting in Enosburg with the senior citizens of the area. The Board agreed not to take any additional action on this proposal until the housing authority has an opportunity to meet and discuss this proposal.

After a thorough description of the location and site characteristics of the Round Barn proposal, Chairman Field made the motion, seconded by Vice Chairman Shaw, that the Executive Director be authorized to send a letter to the developer, Mr. Denkinger, stating that the site does not meet any of the HUD guidelines and that, therefore, the Agency would not consider processing the proposal. A copy of the letter is to be sent to VSHA. The motion was passed unanimously.

Director Hunt explained that the Bradford developers had fulfilled all requirements precedent to issuance of a Letter of Intent. Commissioner Ledbetter made the motion that a Letter of Intent be authorized for the Bradford project. Commissioner Spangler seconded the motion and it passed unanimously.

The Board was next presented with the Peacham Academy 60 unit elderly proposal. It was pointed out that Peacham only has a population of approximately 500 and that it hasn't been determined whether or not Peacham is a priority area. Upon motion of Commissioner Hebard, seconded by Commissioner Ledbetter, the Board unanimously moved to discourage this particular 60 unit proposal because it is too large a project for the area.

Director Hunt then asked the Board to consider authorizing the staff to make, without Board approval, adjustments to approved mortgage amounts on certain projects if the construction interest rates are higher than those originally projected by the developer. Commissioner Ledbetter moved that the Board authorize the Director to make the adjustments on conditions that: 1) it doesn't affect the rents, 2) it doesn't affect the financial feasibility, 3) to the extent VHFA has mortgage funds available from present bonding and 4) the construction lender certifies the actual cost of interest at the time of permanent closing. Commissioner Hebard seconded the motion and it passed unanimously.

Ms. Detora presented the layout for the 1978 Annual Report to the Commissioners and reported the quotes received from Offset House of South Burlington. Upon motion of Vice Chairman Shaw, seconded by Commissioner Ledbetter, the Board unanimously approved the printing of the report by Offset House.

A discussion followed pursuant to the liability of the Agency and staff in claims against any multifamily project approved by the Agency. Also discussed was the establishment of a general fund reserve fund as protection for any multifamily projects that might experience extreme financial trouble. Commissioner Ledbetter made the motion that the staff look into general liability insurance coverage for the Agency, get quotes from three companies for \$1,000,000 coverage, with \$100,000 deductible and check with other finance agencies to see what coverage, if any, they have. In addition, the Agency is to set up a special reserve fund to be funded over a number of years up to a limit of \$250,000. Vice Chairman Shaw seconded the motion and it passed unanimously.

Pursuant to Director Kearn's letter of November 17 to Chairman Field requesting a joint meeting of the Boards and staffs of the

two agencies to discuss interrelations of the two Agencies. The Board agreed that the Chairman and Directors of the two agencies first get together, at a mutually agreeable time in January to discuss the coordination of responsibilities between the two agencies. Chairman Field is to call Chairman Finneran to set up the meeting.

Director Hunt noted the Agency was preparing an advertisement which would be circulated throughout the state encouraging proposals for small scattered site housing projects for families. He said this was being done in conjunction with the state housing authority in order to utilize the existing family housing subsidies still available to the state agencies.

Upon motion of Commissioner Ledbetter, seconded by Vice Chairman Shaw, the Board unanimously moved to adjourn at 4:30

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Allan S. Hunt".

Allan S. Hunt

"BE IT HEREBY RESOLVED AS FOLLOWS: Vermont Housing Finance Agency hereby determines that:

- (1) the Meadows housing for the elderly in Manchester, Vermont (the "Development") is primarily for occupancy by elderly persons of low and moderate income;
- (2) the construction costs incurred by the Sponsors are for housing development costs within the meaning of the Act;
- (3) there exists a shortage of decent, safe and sanitary housing at rentals or prices which elderly persons of low or moderate income are able to afford within the general housing market area of Manchester and private enterprise and investment are unable, without assistance, to provide an adequate supply of residential housing and sufficient mortgage financing for residential housing for occupancy by such elderly persons;
- (4) the Sponsor of the Development will increase the supply of well-planned, well-designed housing for elderly persons of low and moderate income and such Sponsor is a financially responsible person.

"THEREFORE, the Executive Director is hereby authorized and directed to ascertain that the Development is substantially complete and acceptable in all respects, that all covenants and conditions of the Letter of Commitment have been fulfilled, and that a Housing Assistance Payments Contract has been executed. Upon a satisfactory determination of the foregoing, the Chairman or Executive Director is hereby authorized and directed to secure a Promissory Note, Mortgage and Security Agreement, Regulatory Agreement, and all necessary certifications and other documents pertaining to the Development; and is further authorized and directed to execute the Regulatory Agreement, to furnish a requisition of funds to the Trustee and to disburse such funds sufficient to make a loan for the Development in accordance with the Commitment Letter, and to furnish any appropriate certifications required by HUD to maintain the Housing Assistance Payments Contract in effect".



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

AGENDA  
BOARD OF COMMISSIONERS MEETING  
FEBRUARY 15, 1979  
1:00  
VHFA OFFICE, BURLINGTON

1. Review and approval of minutes of January 10th meeting.
2. Review and approval of line of credit with Hartford National Bank.
3. Maintenance bond requirements - Swanton.
4. Additional construction inspectors job - See Memo.
5. Authorization to pay Hawkins, Delafield and Wood legal bills. (Enclosure).
6. Review of construction lending procedures (draft outline).
7. Budget discussion and review - Seven month status report.
8. Legislative update.
9. Housing Incentive Fund - update.
10. Any additional old or new business.



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

### VERMONT HOUSING FINANCE AGENCY

#### BOARD MEETING

JANUARY 10, 1979

1:00 p.m. - ADMINISTRATION BUILDING

Present: Chairman Field, Vice Chairman Shaw, Commissioners Ledbetter, Spangler, Hebard, Gardner, and Myette (via speaker phone); Director Hunt, Deputy Director Dickson, Staff members Ms. Thielen, Ms. Chetti, and Ms. Detora, Agency of Development and Community Affairs, Mr. Driscoll.

The minutes of the November 30, 1978 meeting were read and upon a motion by Commissioner Shaw, and seconded by Commissioner Gardner, minutes were unanimously approved.

Director Hunt distributed documents from the Hartford National Bank relating to a line of credit for interim financing. Discussion of the contents of the documents was postponed until all Commissioners have reviewed them.

Estey Denkinger, developer of the Round Barn proposal in Grand Isle, presented information to support his request that VHFA reconsider its November 30th rejection of his site. After Mr. Denkinger left, Board members voiced concern about the Round Barn's remote location, the unpredictable costs of rehabilitating a structure that is unplumb and unsquare, the high cost of acquisition of the property, and potential fire hazards. Commissioner Spangler advocated focussing public investment in existing village centers. Commissioner Shaw, with a second from Commissioner Spangler, moved that the Board reaffirm its November 30th rejection of the site. All were in favor.

Ms. Thielen presented a preliminary review of the Alburg elderly housing proposal. Two building designs were reviewed. Commissioner Ledbetter moved to give preliminary approval to the proposal, subject to design revisions of the two-story building to open it up and lessen the long, flat facade. Commissioner Gardner seconded the motion and all voted aye.

Ms. Chetti presented the Board with a preliminary review of the Milton elderly housing proposal. Some discussion ensued regarding the nature of the site and its backyard character. Commissioner Ledbetter made a motion, seconded by Commissioner Gardner, to give preliminary approval to the proposal in concept, with the stipulation that at least three acres be allocated to the site at a maximum land price of \$30,000 (subject to VHFA appraisal), and that a careful credit review of the developers be conducted by the staff. Five Commissioners voted "aye", Commissioner Hebard voted no. The motion carried.

Director Hunt distributed a letter from Mr. Flanders, of Flanders Lumber Company, requesting a permanent loan "take-out" reservation on 25 units of 44 units proposed as the first phase of a condominium project of 150 units in South Burlington. VHFA's commitment would help secure construction financing for all 44 units from Chittenden Trust. Director Hunt explained that this would be a non-disruptive method for recycling incoming money from the 1975-1978 mortgage purchase programs. A general discussion followed. Commissioner Ledbetter then moved that a commitment by VHFA be made to the developer for up to 25 units, subject to the following: that borrowers qualify in every regard under single-family program standards, that a target interest rate of  $8\frac{1}{2}\%$  be set, subject to arbitrage limitations, that the commitment expire December 31, 1979, that the units sell for less than \$40,000 and that an appropriate processing fee be established and collected. Commissioner Hebard seconded the motion and the motion passed unanimously.

Harold Rolls, the developer of the Williamstown project, explained to the Board that the community group, that was expected to rent the community space in Williamstown at \$600/year, was unable to come up with the necessary funds. They were concerned that this space would remain vacant and non-income producing. Mr. Rolls said that they would like to turn the space into one non-subsidized efficiency apartment at a monthly rental of between \$161-\$200. He requested a mortgage increase of \$9,500 which would constitute 95% of the \$10,000 estimated cost of construction of the apartment. Commissioner Ledbetter moved that the mortgage be increased by \$9,500 if the developers substantiated costs for the construction of the efficiency apartment; if costs were not borne out, VHFA would reserve the right to reduce the mortgage accordingly. Commissioner Shaw seconded the motion and all were in favor.

Commissioner Spangler summarized a letter he had received from the Northeastern Vermont Development Association (NVDA) pointing to the Newport area's severe family housing problem due to several recent fires. Because of this, thirty-three families have been relocated to substandard units and to housing outside the community. He moved that Newport and the Newport area be established as a target area of prime concern for the next allocation of HUD units. Commissioners Shaw and Gardner seconded the motion and it passed unanimously.

Director Hunt read a summary of proposed reassignments of Section 8 funds as follows:



SUMMARY OF PROPOSED REASSIGNMENTS OF  
SECTION 8 FUNDING RESERVATIONS:

1. Cancel Montpelier (family) and reassign \$47,365 to Bethel for 10 family units. Also, excess funds to be transferred to Bethel from Shelburne, Brandon, and Bradford.
2. Increase Williamstown from 21 to 22 units by transferring excess funds from Brandon.
3. Cancel an early Morrisville reservation (not the current proposal) and reassign \$61,425 to Bristol.
4. Cancel Sheldon, an earlier Bethel reservation, and an earlier Bristol reservation and reassign \$56,875 to Putney.
5. Cancel Milton (family) and transfer \$50,598 to Georgia.

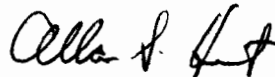
Proposals are in preparation but have not yet been submitted for Bethel, Bristol, Putney and Georgia.

Commissioner Spangler moved to ratify the re-allocation. Commissioner Shaw seconded the motion and all were in favor.

Commissioner Ledbetter opened a general discussion of the severe shortage of private mortgage funds in the state, the prospects for future Section 8 fund availability, and the VHFA bond limit. Commissioner Ledbetter asked whether any Board members would object to a proposal to increase VHFA's bond ceiling by \$50 to \$75 million in view of the shortage of private funds. No objections were voiced. Commissioner Gardner urged the Board to take a positive advocacy position toward Mr. Ledbetter's proposal.

Chairman Field entertained a motion to adjourn which passed unanimously and the meeting adjourned at 4:10 p.m.

Respectfully submitted,



Allan S. Hunt



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

AGENDA  
BOARD OF COMMISSIONERS MEETING  
MARCH 23, 1979  
1:00 p.m.  
VERMONT AGENCY OF TRANSPORTATION  
133 State Street - MONTPELIER  
4th Floor Conference Room

1. Review and approval of minutes of February 15, 1979 meeting.
2. Developers Handbook - Suggestions on content, changes, etc. Response to Vermont State Housing Authority's guidelines.
3. Proposals - Preliminary review.
  - a. Mayo - Putney - 11 units.
  - b. Nichols - Woodstock - 15 units.
  - c. New England Partnerships
  - d. Montpelier/Marshfield - 24 units.
4. Single family builder "set-asides".
  - a. DuBrul - Lane Shops.
  - b. Homestead Design - scattered sites.
  - c. Burlington Contractors - Burlington.
  - d. Construction Management Inc. - Rutland.
5. Section 235 "Set-Asides" - update.
6. Condominium discussion.
7. Construction financing discussion.
8. Legislative update.
9. Other old or new business.



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

VERMONT HOUSING FINANCE AGENCY  
BOARD MEETING  
FEBRUARY 15, 1979  
1:00 p.m. at VHFA Office, Burlington

Present: Chairman Field, Vice-Chairman Shaw, Commissioners Myette, Gardner, Hebard and Ledbetter; Executive Director Hunt; Deputy Director Dickson, Ms. Nichol; Mr. Blake, Mr. Herd, Mr. Murphy of the Hartford National Bank; Mr. Mares of the Burlington Free Press.

Chairman Field called the meeting to order by requesting approval of the minutes of the meeting of January 10. Commissioner Gardner made the motion to approve the minutes. It was seconded by Commissioner Shaw and passed unanimously.

Director Hunt then presented the Board with the request of Poquette and Bruley, developers of the Swanton project, to allow them to post a \$50,000 letter of credit in lieu of a warranty bond upon project completion. The reason for their request is that since a letter of credit was posted instead of a payment and performance bond during construction, a bonding company is unwilling to issue a bond just for the warranty. Commissioner Shaw made the motion to approve this request. Commissioner Myette seconded the motion and all voted in favor. Chairman Field stipulated that the letter of credit must be directed to Vermont Housing Finance Agency and must be unconditional.

The Board then discussed Mr. Hunt's recommendation that a second construction inspector be hired. After some discussion as to his precise duties, Commissioner Shaw made the motion that the person selected by Mr. Hunt be hired and that appropriate salary adjustments to other staff be made. The motion was seconded by Commissioner Gardner and passed without opposition.

The Board was then presented with the legal bill from Hawkins, Delafield and Wood. Commissioner Shaw moved to pay the balance remaining on the bill, with a second by Commissioner Myette and unanimous approval.

Mr. Hunt distributed a draft outline of possible construction lending procedures for the multi-family program for future discussion.

Mr. Dickson summarized recent events relating to the Derby Line project. The Board then unanimously passed the resolution for permanent financing (attached) of this project on a motion by Commissioner Gardner and a second by Commissioner Shaw.

Mr. Frazier presented a budget update to the Commissioners. He suggested several areas where he felt reallocation of budget amounts would be appropriate. Commissioner Ledbetter moved that the proposed reallocation be approved, with a second by Commissioner Shaw and unanimous approval of the Commissioners. The amended budget is attached.

Mr. Blake of the Hartford National Bank discussed the \$6 million line of credit the Agency has been negotiating with Hartford National as agent for a consortium of banks. The attached resolution to authorize entering into such an agreement was moved by Commissioner Hebard, seconded by Commissioner Shaw and passed unanimously.

There followed a lengthy discussion of the progress of H.123 and S.78, two bills to increase the Agency's bond ceiling and related issues.

The Board then formally adopted the change in the Vermont Housing Finance Agency multi-family regulations relating to return on equity in multi-family projects. The adoption was unanimous upon a motion by Commissioner Myette and a second by Commissioner Hebard.

The Board unanimously approved a mortgage increase of \$46,141 for the Morrisville housing for the elderly project and an interest rate of 8.25%. The approval was given upon a motion by Commissioner Ledbetter and seconded by Commissioner Hebard.

Discussion then turned to the Brandon project. Developer Anthony Adams has requested a \$12,000 mortgage increase and approval of use of a construction manager with bondable subcontractors in lieu of a bonded general contractor. Chairman Field emphasized that all the subs should be bonded and from the same company if possible. Commissioner Ledbetter moved that the mortgage increase be approved subject to the \$6 per unit per month rent increase requested of the Vermont State Housing Authority, and that the developer be allowed to use a construction manager with bonded subcontractors. Commissioner Gardner seconded the motion which passed unanimously.

Director Hunt then presented the Board with David DuBrul's plans for continued renovation to the Lane Shops complex. The Board decided that they didn't have enough information to make a decision and that Mr. DuBrul and Mr. Black of the Chittenden Trust should be invited to the next Board meeting to present their proposal.

A draft of the Vermont Housing Finance Agency Developer's Handbook was given to the Board for their review.

At 4:30 p.m. Commissioner Hebard made the motion that the meeting be adjourned. It was seconded by Commissioner Shaw.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Allan S. Hunt".

Allan S. Hunt

VERMONT HOUSING FINANCE AGENCY

RECOMMENDED BUDGET REVISIONS

JANUARY 31, 1979

<u>ACCOUNT</u>	<u>ORIGINAL BUDGET</u>	<u>RECOMMENDED NEW BUDGET</u>	<u>REVISION</u>
ACCOUNTING	9,500	9,400	(100)
ASSIGNEE	10,000	9,300	(700)
CONSULTING	5,000	1,000	(4,000)
PHOTOCOPYING	2,400	2,200	(200)
PAYROLL TAXES	9,800	8,800	(1,000)
SALARIES & WAGES	175,000	172,200	(2,800)
LEGAL	16,000	23,000	7,000
TELEPHONE	8,800	9,600	800
TRUSTEE FEES	17,800	18,800	<u>1,000</u>
NET CHANGE TO BUDGET TOTAL			<u><u>- 0 -</u></u>



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

AGENDA  
VERMONT HOUSING FINANCE AGENCY  
BOARD MEETING  
April 25, 1979  
1:00 p.m. - VHFA OFFICE

1. Approval of minutes of March 23 Meeting.
2. Discussion on mortgage and income limits for upcoming single family program. (See Allan's memo dated April 16, 1979.)
3. Authorization to release Preliminary Official Statement
4. Multifamily
  - A. Letters of Intent
    1. Enosburg - A. Brown
    2. Milton - Hurteau, Stokes, Gilbert, Garner.
  - B. Conceptual Approval
    1. Alburg - Jameson - 13 Units (Family)
    2. Bristol - Burke - 16 units (Elderly)
    3. Fair Haven - Milot - 30 units (Elderly) 10 units (Family)
    4. Waterbury - Review of competing proposals
  - C. Brandon Project: Construction Financing, Change of Developer.
  - D. Location Issue (PACE - Taylor Farm, West Townshend).
  - E. Discussion of Builders Warranty Obligation. (See Enclosed Memo.)
5. Discussion of loan request by Community Mental Health Services. (See Enclosed Material.)
6. Authorization to release developers handbook.
7. Any other Old or New business.



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

### VERMONT HOUSING FINANCE AGENCY BOARD MEETING

March 23, 1979

1:00 p.m. - State Treasurer's Office  
ADMINISTRATION BUILDING

PRESENT: Chairman Field, Vice-Chairman Shaw, Commissioners Myette (via speaker-phone), Spangler, Ledbetter, and Gardner; Executive Director Hunt; Deputy Director Dickson, Ms. Chetti, Mr. Driscoll from DCA; Mr. Gurley of Goldman Sachs.

Chairman Field called the meeting to order at 1:15 asking approval of the minutes of the February 15, 1979 meeting. Commissioner Shaw motioned for approval; Commissioner Gardner seconded and it passed unanimously.

Commissioner Ledbetter then requested an update on the outcome of the mortgage increase which was approved for the Brandon project. Director Hunt explained that the VSHA rejected the proposed rent increase, so the developer had decided to raise the additional funds by selling additional shares in the partnership.

Then, Commissioner Field suggested that rather than review the Developer's Handbook at this meeting, each Commissioner should review his copy, mark it with comments and suggested revisions, and submit it to Director Hunt prior to the next Board meeting.

Then discussion ensued pursuant to a written request from VSHA to reconsider the Round Barn proposal in Grand Isle. Commissioner Ledbetter made a motion that VSHA and the developer be notified that VHFA declines to finance this proposal and they should seek alternative sources of funding for the Round Barn. The motion was seconded by Commissioner Gardner. Chairman Field suggested that the March 15 letter from Deputy Director Dickson to the Vermont Office on Aging be incorporated into the motion as the letter stated the Board's position relative to site selection. Vice Chairman Shaw reported that he had visited the site and strongly believed it was too far from necessary services. Chairman Field also stated that the Round Barn proposal was disapproved for other reasons than proximity to services. Commissioner Spangler said he is going to recommend to the VSHA board that they put housing in existing town centers that have services. Chairman Field stated that the location issue and other reasons for turning down the proposal should be emphasized and the Board's position was originally well taken.



Commissioner Ledbetter restated his motion incorporating the language of the first motion that the Board not change its position on the original proposal. The Board voted unanimously, 6-0, to approve the motion.

A proposal from Timothy Mayo to provide 11 units of substantially rehabilitated housing for the elderly in Putney was presented by Ms. Chetti. Various drawings and photographs were examined. Commissioner Shaw moved that VHFA approves the general concept and forwarding the proposal to Vermont State Housing Authority for submission to HUD. This approval does not necessarily imply approval of all details of the proposal. The motion was seconded by Commissioner Myette and approved by a vote of 5-0; Commissioner Ledbetter did not vote.

Ms. Chetti presented a proposal from Geoffrey Nichols to purchase and expand the existing Mellishwood House project in Woodstock. Commissioner Spangler read a letter to the Vermont State Housing Authority from Ottauquechee Non-Profit Housing Development Corporation and reported that VSHA has agreed to hear the proposal on April 5 (VSHA had earlier written to Nichols saying they disapproved the proposal because it was too dense). Commissioner Gardner made and Commissioner Ledbetter seconded a motion to approve the general concept of the proposal, subject to careful analysis of costs, and forwarding to VSHA. This approval does not necessarily imply approval of all details. Chairman Field suggested that a construction lender could subordinate its mortgage to VHFA's existing first mortgage, but there was also no objection expressed at this time to VHFA construction financing. The motion was approved 6-0. Chairman Field suggested that VHFA staff should be represented at the housing authority meeting on April 5.

A proposal from New England Partnerships to provide 12 units of family housing in five rehabilitated houses on Northfield Street in Montpelier and 12 units of elderly housing, partially rehabilitated and partially new construction, in Marshfield, was presented by Ms. Chetti. After extended discussion of the Northfield Street location in Montpelier, the consensus of the Board was that the site is too small to provide adequate parking and recreation space and so close to a heavily-travelled highway that the safety of the children could not be assured. On motion of Commissioner Shaw, seconded by Commissioner Spangler, the Board voted 6-0 to deny the Montpelier portion of the proposal.

Commissioner Ledbetter, seconded by Commissioner Shaw, moved to table the Marshfield portion of the proposal pending resubmission on its own merits, with separate cost and rental data. This motion was approved 6-0. Commissioner Ledbetter also moved that the Agency should, in the future, advertise around the state for proposals for elderly housing, indicating the towns of highest priority. Commissioner Spangler seconded the motion which was also approved 6-0.

David DuBrul presented a proposal asking for tentative approval of (a) up to ten Section 8 elderly units and up to 15 Section 8 family units in the building marked "Phase 4" in the site plan for the Lane Shops complex, (b) open space parking and recreation to the area marked "Phase 3" on the site

plan, and (c) up to 20 condominium units in building 2a on the site plan. Vice-President Charles Black of Chittenden Trust Company spoke in favor of the proposal. Commissioner Gardner moved and Commissioner Ledbetter seconded that the Agency would be happy to entertain such a proposal on the following conditions:

1. The elderly and family units may not overlap or communicate within the building and must be separated by a soundproof vertical position;
2. VHFA and Chittenden Trust Company will each provide permanent financing to eligible borrowers for ten of the 20 condominium units;
3. The condominium units shall each contain two or more floors with a view of the river, and will sell for less than \$40,000 each;
4. There shall be no commercial space in the condominium building.

The motion was approved 6-0.

Director Hunt led a discussion of builders' requests for single-family permanent loan commitments. The first was from Homestead Design, but it sparked a general discussion of VHFA policy toward condominiums. Commissioner Ledbetter moved and Commissioner Myette seconded that VHFA policy is to make a temporary commitment for up to 30 percent of a condominium development, depending on approval of each plan by the Board, and on review and approval of the declaration of condominium, master deed, and other matters by VHFA staff. The motion was approved 6-0.

Mr. Hunt presented a proposal from Construction Management, Inc. for a VHFA commitment to provide permanent financing of 10 units for eligible borrowers in a proposed 80 unit development in Rutland. A motion to approve such a request was made by Commissioner Ledbetter, seconded by Commissioner Spangler, and approved by a vote of 6-0.

Director Hunt suggested that the staff would like to start preparing for a new single-family bond issue as soon as H-123 has been passed by the legislature and signed by the Governor. Andrew Gurley reported that bond market prices seem to be holding firm but are expected to fall, and will fall quickly when it happens. Therefore, he recommended that bonds be issued as soon as possible before the market falls. He also recommended that the Agency explore the advantage of private pool mortgage insurance, which he expected would earn the bonds a AA rating. With this insurance, Mr. Gurley predicted the mortgage rate to the borrower would be about  $8\frac{1}{4}$  percent at today's bond prices.

The Board discussed an issuance of about \$40 million, but tabled a discussion of income limits, mortgage limits, and a quota for new construction units after the staff has contacted banks, realtors, and homebuilders about these matters.

Director Hunt reported that the Lane Shops project phase I and the Williamstown project are both near completion, and recommended adoption

of the two resolutions attached herewith. Commissioner Shaw moved to adoption of both resolutions. Commissioner Gardner seconded the motion which was approved by a vote of 6-0.

The Board discussed briefly a method whereby the Agency may purchase or participate in the making of mortgage loans insured and subsidized under the FHA 235 program. Commissioner Myette moved that the Agency continue to support such a program. The motion was seconded by Commissioner Spangler and adopted by a vote of 6-0.

On motion of Commissioner Shaw, seconded by Commissioner Ledbetter, and approved by a vote of 6-0, the meeting was adjourned at 5:19 p.m.

Respectfully submitted,



Allan S. Hunt



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

AGENDA  
VERMONT HOUSING FINANCE AGENCY  
BOARD MEETING  
May 18, 1979  
1:00 p.m. - Treasurer's Office  
MONTPELIER, VERMONT

1. Approval of minutes of April 25 meeting.
2. Update on single family program; HR 3712 problem.
3. Multifamily program:
  - A. Resolutions for permanent loan.
    1. South Burlington
    2. Swanton
  - B. New Proposals.
    1. Waterbury
    2. Lyndonville
    3. Barton
    4. Randolph
    5. Colchester
    6. Marshfield
    7. Bethel/Montpelier
    8. West Townshend (PACE-Taylor Farm: see correspondence with Town of Townshend, distributed last month, plus materials enclosed today.)
    9. Alburg-Jameson response to VHFA's conditions.
  - C. Authorization to release developers handbook.
4. Any other old or new business.



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

VERMONT HOUSING FINANCE AGENCY  
BOARD MEETING  
APRIL 25, 1979  
1:00 p.m.  
135 CHURCH STREET, BURLINGTON

PRESENT: Chairman Field, Commissioners Gardner, Myette, and Hebard. Executive Director Allan Hunt, Scott Frazier, Donald Dickson, and Jain Detora, VHFA; Barry Driscoll, DCA.

The meeting commenced at 1:08 p.m. and the minutes of the March 23rd meeting were unanimously approved.

The Board first discussed the size of the upcoming single-family program. A motion was made and seconded that the bond issue for the 1979 Loans to Lenders/Mortgage Purchase Program would not exceed 45 million. The motion carried.

Mr. Hunt then informed the Board of discussions with underwriters and various insurers concerning the possibility of using pool insurance for the 1979 Single Family Program. The consensus was that the cost of utilizing pool insurance was not worth the comparably minor effect it would have on the expected AA rating. The Agency would also have to relinquish some of its independence by having to conform to the pool insurer's underwriting standards.

The Board then discussed the necessity to increase the income limits, loan amount and purchase price limits for the new program. The Board moved and unanimously accepted the following limits:

	Purchase of Existing Home	Construction Of New Home
Income maximum	\$20,000	\$22,000
Loan Maximum	\$42,000	\$46,000
Purchase Price Maximum	\$50,000	\$55,000

It was further resolved that the VHFA would not purchase more than 2/3 of any bank's commitment within the first three months.

The Board agreed that Mr. Hunt should include the following important cautions and restrictions in a letter to all participants prior to the commencement of the program:

1. VHFA's low interest financing should be made available only to borrowers who were unable to afford their mortgage at a conventional interest rate; therefore, the Agency will purchase only loans with insurance through FHA, VA, FmHA, VHMGB, or private mortgage insurance; or conventional loans if loan to value ratio is no more than 75 percent and the bank certifies that the borrower cannot afford the prevailing interest rate.
2. The banks would be requested not to reveal the purchase price of a home to the appraiser prior to his report being made. VHFA would like to avoid inaccurate appraisals and any potential inflationary effect the program might have on the market, and therefore VHFA may spotcheck some appraisals for accuracy.

Condominiums were the next topic of discussion. It was unanimously agreed that both VHFA and VHMGB would take a much closer look at this type of housing, especially in view of their proliferation in Chittenden County. It was agreed that VHFA will not participate in any one condominium project more than 30%.

Chairman Field suggested that we consider financing only newly constructed condominium units and not get involved in conversions or rehabs.

A motion was made and seconded to authorize the Executive Director and Goldman, Sachs and Company to prepare and release Preliminary Official Statements for the mortgage purchase program and the Loans to Lenders program, both programs totalling not more than \$45,000,000 and incorporating the program limits and requirements adopted above. The motion was approved unanimously.

Because participating banks had requested funds well in excess of \$45 million, the Executive Director was instructed to prepare a recommendation for allocating funds among the banks requesting them, taking the following factors into consideration:

1. size of bank's assets;
2. size of bank's lending portfolio;
3. past participation in VHFA programs;
4. capital shortages in the area;
5. willingness to participate in the possible builder's set-aside portion of program.

The Board requested that Mr. Hunt compare notes with Mr. Ledbetter and then consult the Board by conference call for final approval.

Mr. Hunt presented a request for a seed money loan of \$15,000 to Vermont Council of Community Mental Health Services for a period of two years. Ms. Margaret F. Martin, Executive Director, described the organization and the proposed project, which is a HUD-HEW demonstration project to provide six group homes for the chronically mentally ill. After extended discussion, it was moved and seconded that VHFA will lend \$20,000 to Vermont Council of Community Mental Health Services; the loan will be secured by a demand note to come due in two years with interest payable annually at a rate of 5.25 percent; funds shall be loaned from the General Fund; and all options acquired on any sites should be assignable to VHFA. The motion carried by a vote of 3-0, Commissioner Gardner abstaining because he is a director of the Rutland Mental Health agency.

Mr. Hunt recommended that the Commissioners authorize issuance of a Letter of Intent to finance the Enosburg Falls elderly housing development of Mr. A. Brown. The mortgage amount requested is \$858,128. It was so moved and seconded, and the motion carried by a vote of 4-0.

Mr. Hunt recommended that the Commissioners authorize issuance of a Letter of Intent to finance the Milton elderly housing development of Albert Garner, Lloyd Gilbert, Clarence Hurteau and George Stokes. The mortgage amount requested is \$574,560. After considerable discussion it was moved and seconded to issue a Letter of Intent subject to revision of the proposed property boundaries to create a rectangular space, either by deed of title or by a complete indefeasible easement. The motion carried by a vote of 3-0, Commissioner Hebard abstaining.

Ms. Chetti presented a proposal from Mr. Wayne Jameson of South Burlington, to develop 13 family units of Section 8 housing on two sites in Alburg.

It was moved and seconded to approve the proposal in concept and to forward the proposal to Vermont State Housing Authority for forwarding to HUD, although such conceptual approval does not imply approval of all details; in particular, the developer must remove the blue office building from the site. Furthermore, the Board recommended separate utilities to be paid by the tenants, and instructed staff to resolve this issue with Vermont State Housing Authority before imposing its recommendation on the developer. The motion was approved by vote of 4-0.

Ms. Chetti presented a proposal from Michael and Donna Burke of Bristol, to develop 16 elderly units of Section 8 housing on Mountain Street in Bristol. It was moved and seconded to approve the proposal in concept and to forward the proposal to Vermont State Housing Authority for forwarding to HUD, although such conceptual approval does not imply approval of all details. In particular, the developer should submit revised development costs more in line with other projects, and should submit a more definitive, satisfactory transportation plan with the Area Agency on Aging or others. The motion carried 4-0.

Ms. Thielen presented a proposal from Gerald C. Milot of Essex Junction and Richard Bruce of Burlington, to develop 30 elderly units and 10 family units of Section 8 housing on Fourth Street in Fair Haven. It was moved and seconded to approve the proposal in concept and to forward the proposal to VSHA for forwarding to HUD, although such conceptual approval does not imply approval of all details. In particular, the following conditions shall be imposed: rents for the project shall be increased to the 1979 Fair Market Rents when published, because financial feasibility cannot be determined until the status of the VSHA construction guidelines is resolved, provision for an on-site manager or equivalent is made, a utility analysis is provided, and construction interest costs are firmed up. The motion was approved by a vote of 4-0.

Ms. Nichol presented several competing proposals to provide elderly housing in Waterbury. However, due to the lateness of the hour and the need for additional information, the Waterbury proposals were tabled until the next meeting.

Mr. Hunt requested guidance from the Board as to what forms of security for the builder's warranty obligation should be accepted in lieu of a performance bond. He reminded the Board that in the case of Swanton, where the owner was also the builder, we accepted a letter of credit equivalent to 15 percent of the mortgage. It was the consensus of the Board that this standard may be used as a general precedent but that the Board should vote separately on each case. Chairman Field also recommended the following three rules:

1. All subcontractors should be bonded, if possible.
2. 15% letter of credit in lieu of performance bond.
3. 10% retainage should be held for 45 days after completion, to be used for correction of defects before calling the letter of credit.

Mr. Hunt reported on negotiations with BEAM, the manager of 135 Church Street, regarding rental of a portion of the BEAM office on the first floor. It was moved and seconded to continue these negotiations until a satisfactory rental arrangement is reached. The motion was approved 4-0.

Chairman Field recommended that release of the VHFA Developer's Handbook be delayed pending the outcome of his negotiations with Chairman Finneran of Vermont State Housing Authority regarding the respective roles of the two agencies. He reported on the progress of these negotiations to date.

A motion to adjourn was made and seconded. The meeting was adjourned at 5:15 p.m.

Respectfully submitted,

  
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Allan S. Hunt  
Secretary





ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

AGENDA  
VERMONT HOUSING FINANCE AGENCY  
BOARD MEETING  
June 19, 1979 @ 1:00 PM  
FIRST FLOOR CONFERENCE ROOM  
VHFA OFFICE

1. Approval of minutes of May 18 meeting.
2. Single Family program
  - A. Discussion of adoption of new income and mortgage limits
  - B. Authorization of Series Resolution for Mortgage Purchase Program.
  - C. Authorization of Series Resolution for Loans to Lenders Program
  - D. Discussion of fee structure
3. Multifamily Program
  - A. Lower Champlain Housing Authority
  - B. Discussion of relationships with VSHA (see enclosed memo)
    1. Alburg family proposal (Jameson)
    2. Bethel/Montpelier proposal (Babcock)
    3. Barton proposal (R. Babcock)
    4. Lyndonville proposal (Lunde)
    5. Utility allowance for Northfield (J. Babcock)
    6. Kohlhepp - equity escrow and Fair Haven
  - C. Authorization of Letter of Intent - (1) Alburg-Jameson, (2) Lyndonville-Lunde
  - D. New Projects
    1. Island Pond
    2. Rochester
4. 1979/1980 Budget
5. Discussion of New Homes Program (Enclosure)



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

VERMONT HOUSING FINANCE AGENCY BOARD MEETING  
May 18, 1979 @ 1:00 p.m.  
STATE TREASURERS OFFICE, MONTPELIER

PRESENT: Vice-Chairman Horace Shaw, Commissioners Emory Hebard, Stewart Ledbetter, Carl Spangler, Richard Myette (by speaker-phone); Executive Director Allan Hunt, Donald Dickson, Polly Nichol, Janice Chetti, VHFA; Barry Driscoll, DCA.

The meeting commenced at 1:10 p.m. The minutes of the meeting of April 25, 1979 were approved. Executive Director Hunt reported on the status of the pending single family bond issue, which has been delayed by the introduction of HR 3712 in the U.S. House of Representatives. This bill, if passed, would remove the tax-exempt status of the single family bonds and has therefore made investors unwilling to buy the bonds. Mr. Hunt described his efforts and those of the Governor and the Vermont congressional delegation to alter or obtain exemption from the proposed legislation. After extended discussion, the Commissioners suggested that the Agency should explore the possibility of issuing taxable bonds, and the possibility of selling tax-exempt mortgages to insurance companies. No action was taken pending resolution of HR 3712.

Director Hunt reported that construction of multifamily developments in South Burlington, Swanton and Northfield is nearing completion and proposed the three permanent loan resolutions attached. A motion was made and seconded to adopt the three resolutions as proposed. The motion carried by a vote of 5-0.

Mr. Robert Caron of South Royalton spoke to the Board about a nine-acre site in Randolph, on which he intends to submit a proposal for 20 units of family housing, and asked the Board to waive the usual 12 unit limit on family housing. His architect displayed a proposed site plan for the 20 apartments, showing 10 duplex buildings around a central common. After extended questioning and discussion, it was moved to suspend the 12 unit limit in this case because of the following factors:

- (a) The size and configuration of the land,
- (b) The demonstrated need for family housing in Randolph,

- (c) The site plan presented,
- (d) No more than 20 units are proposed, and
- (e) Local ownership by Mr. Caron and his demonstrated management experience.

The motion was seconded and approved by a vote of 5-0.

Mr. Hunt reminded the Board of the two Waterbury proposals that were tabled at the last meeting, and reported that since that meeting Vermont State Housing Authority has rejected the proposal from Burlington General Contractors. Therefore, VHFA has only one proposal to consider, from Edward Steele, although another proposal is expected from Anthony Parisi. Following Mr. Hunt's recommendation, a motion was made to give preliminary approval to Mr. Steele's proposal for 12 units of housing for the elderly, subject to a staff determination of financial feasibility, and if it can be made feasible, to forward the proposal to VSHA for submission to HUD. This conceptual approval does not imply approval of all details. The motion was seconded and approved by a vote of 5-0. It was suggested that Mr. Parisi should also be encouraged to submit his proposal, subject to the availability of additional Section 8 funds later in the year.

Mr. Hunt reported that a 27 unit elderly rehab proposal for the Darling Inn in Lyndonville has been presented by Alfred and Kenneth Lunde. He described the proposal and displayed photographs and schematic drawings. Mr. Hunt recommended that the Board give preliminary approval to the proposal for forwarding to VSHA and HUD, subject to the following conditions:

- (a) a processing agent must be retained to assist the Lundes' in developing the project;
- (b) a construction manager will not be approved, a bonded general contractor must be retained;
- (c) a competent attorney must be retained immediately and may not be changed without VHFA approval in advance;
- (d) a strict time schedule will be established and must be adhered to;
- (e) a competent management agent must be hired.

Subject to these conditions, a motion was made and seconded to approve the Lyndonville proposal for forwarding to VSHA and submission to HUD, although this preliminary approval does not imply approval of all details. The motion carried 5-0.

Ms. Nichol presented a proposal from Ray Babcock and Sons, Inc. to develop 14 units of family housing on two sites in Barton. She pointed out that the proposal does not include a standard 5 percent vacancy and collection loss allowance, and therefore needs slightly higher rents than proposed. In addition, she pointed out that the proposal indicates owner-paid utilities, whereas VHFA policy is to encourage tenant-paid utilities with a utility allowance in apartments for families. A motion was made and recorded to approve forwarding the proposal to VSHA for submission to HUD, subject to satisfactory resolution of the vacancy allowance and utility allowance issues; conceptual approval does not imply approval of all details of the proposal. The motion carried by a vote of 4-0, Commissioner Hebard abstaining. Vice-Chairman Shaw suggested that because a corporation will be the borrower, personal guarantees should be required from the major stockholders.

Ms. Chetti presented a proposal from New England Partnership, Inc. and Thomas Bloom for a 12 unit rehab project for the elderly in Marshfield. This was previously submitted together with units for families in Montpelier which were disapproved, and the Marshfield portion had been tabled pending resubmission on its own merits. A motion was made and seconded to approve forwarding the Marshfield proposal to VSHA for submission to HUD--this approval is not implying approval of all details. The motion carried by a vote of 5-0, but the developers were strongly advised to solve their potential sewage problem at an early stage.

Ms. Nichol presented a proposal from A. Judson Babcock to develop 20 apartments, four for the elderly and six for families in Bethel, and ten for families in Montpelier. A motion was made and seconded to give conceptual approval to the Bethel portion of the proposal and forward it to VSHA for submission to HUD; this motion was approved by a vote of 5-0. A motion was made and seconded to give conceptual approval to the Montpelier portion of the proposal and forward it to VSHA and HUD, on condition that it be revised to be financially feasible with a 30-year mortgage rather than a 40-year mortgage. This motion was approved by a vote of 5-0.

Ms. Chetti presented a preliminary proposal from PACE, Inc. for an 18 unit rehab development for the elderly in West Townshend. She circulated a number of letters received from various interested parties, together with some photographs of the existing property. Two threshold problems have been identified: its somewhat isolated location, and PACE's management record in Massachusetts. PACE has asked for a preliminary determination of these two questions. Most of the letters received by VHFA argued that the present elderly residents of the group home on the site are in fact not isolated from social interaction and necessary services and facilities, and are active participants in the community. Several letters provided assurances that a wide array of services are and will be available to residents.

Regarding PACE's management record in Massachusetts, Deputy Directory Dickson reported that VHFA has received a copy of an audit report from the Director of Audit of Massachusetts Department of Mental Health together with a statement that PACE's contracts with DMH will be reviewed and that PACE's past management problems are being corrected. Based on these assurances, a motion was made and seconded to entertain a proposal from PACE, Inc. for the site in West Townshend, which will not be rejected on the grounds of location or PACE's past problems as described in the Massachusetts audit. The motion carried by a vote of 5-0.

Ms. Chetti reported Mr. Jameson's response to the Board's conditional approval of his Alburg family proposal at the previous meeting, which required him to remove a small office building from the project site. Mr. Jameson's argument, which Ms. Chetti confirmed, was that the income from rental of the office space is necessary to make the project financially feasible. A motion was made and seconded to alter VHFA's conditional approval to permit the office building if it is repainted and refurbished to blend in color and architecture with the rest of the project, and if the office space lease includes an inflationary index in the rent. The motion was approved by a vote of 5-0.

Ms. Nichol presented a proposal from Harold Rolls and Richard Dybvig to provide 24 apartments for the elderly in Chelsea. She pointed out that many of the apartments are slightly above HUD's Fair Market Rent. It was noted that proposed construction costs are considerably higher (about 13 percent) than they were in the Williamstown project by the same developers, for no apparent reason other than inflation. Ms. Nichol also recommended that the developers be asked to provide an additional 12 units of family housing in Chelsea. A motion was made and seconded to approve this proposal in concept and forward it to VSHA for submission to HUD, contingent on submission of a proposal for 12 units of family housing; conceptual approval does not imply approval of all details, and in particular every effort must be made to reduce costs and rents. The motion was approved by a vote of 5-0.

Mr. Dickson asked if the Board was ready to authorize distribution of the VHFA Developer's Handbook. In the absence of Chairman Field, it was moved to table the Handbook until Chairman Field is able to conclude his negotiations with VSHA. The motion was seconded and approved.


Mr. Dickson reported that a construction loan closing had been held that morning at the Granite Savings Bank and Trust Company for the Morrisville project. There is no general contractor for the project and several of the subcontractors will probably not be bondable. Therefore, bank officials were concerned about what degree of security the Agency will require at permanent loan

closing to support the guarantee against defects, in lieu of performance bonds. Vice-Chairman Shaw proposed that a 20 percent irrevocable one-year letter of credit be required for all unbonded work. A motion to that effect was made and seconded, and approved by a vote of 5-0.

Commissioner Hebard inquired about the status of the Lower Champlain Housing Authority proposals for Orwell, Shoreham, Benson and Bridport. Executive Director Hunt described a number of conversations and meetings and said that he is preparing to recommend broad conceptual approval of their package of proposals, subject to a set of conditions which are still being formulated. Commissioner Hebard requested that several spokesmen or members of the group be invited to the next VHFA Board meeting.

The meeting was adjoured at 4:30 p.m.

Respectfully submitted,

  
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Allan S. Hunt  
Secretary

Attachments



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

### AGENDA

July 12, 1979 @ 1:00 p.m.

COUNTRY PARK APARTMENTS

CORNER OF HINESBURG ROAD AND KENNEDY DRIVE  
SOUTH BURLINGTON

1. Approval of minutes of previous meeting.
2. Single Family update.
3. Multifamily
  - A. Discussion of vacancy allowance with Jim Finneran - Chairman, Vermont State Housing Authority.
  - B. Discussion with Lower Champlain Non-Profit.
  - C. Review of New Proposals
    1. Island Pond - 10 units/Family - Gervais
    2. Chelsea - 12 units/Family - Dybvig/Rolls
    3. Vergennes - Competing proposals
      - a. Milot - 24 units elderly
      - b. Wessel - 22 units elderly
    4. Alburg - Competing proposals
      - a. Kessel/Duff - 22 units
      - b. Jameson - 24 units
    5. Rochester - 6 units/Family - Simpson
  - D. Letters of Intent
    1. Fair Haven - Milot
    2. Waterbury - Steele
4. Rediscussion of Fiscal 1980 budget - See Enclosure
5. Other Old or New Business.



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

### MINUTES OF THE JUNE 1, 1979 (CONFERENCE CALL)

PRESENT: Commissioners Shaw, Myette, Spangler and Hebard.

Director Hunt advised the Board of the actions taken by The House Ways and Means Committee on May 29. As a result of their actions, Director Hunt concluded that a bond sale was now possible. The Board, voting 4-0, authorized the release of the preliminary official statements in an amount sufficient to make \$45 million in new mortgage loans.

In two additional motions, the Board unanimously agreed to limit the program to people who haven't owned a home in Vermont for the past three years and to limit financing to 1 and 2 unit houses. Furthermore, they voted unanimously to restrict purchase of the mortgages from banks to 60% of the commitment in the first three months, 20% for next three months, and the balance after that time.

In another matter, the Board unanimously approved Commissioner Spangler's motion to increase the maximum mortgage amount on the Hardwick project from \$386,923 to \$421,132 as a result of increased construction costs and the sponsor's inability to reduce costs without cheapening the project.

Respectfully submitted,

Allan S. Hunt  
Secretary





ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

### VERMONT HOUSING FINANCE AGENCY BOARD MEETING

June 19, 1979

@ 1:00 p.m.

135 CHURCH STREET, BURLINGTON

Present: Chairman Andrew Field, Vice-Chairman Horace Shaw, Commissioners Dick Myette, Ben Gardner, Carl Spangler, Stewart Ledbetter, Ed Gallison representing Commissioner Emory Hebard; Executive Director Allan Hunt, Donald Dickson, Jain Detora, Scott Frazier, VHFA; Gerald Desautels, John Ingalls, representing Hawkins, Delafield & Wood, Andy Gurley representing Goldman Sachs; Charlie Zeiss from E.F. Hutton, Edward Decere from Brown, Wood and Louis Berney of the Rutland Herald.

The meeting commenced at 1:25 p.m. The minutes of the May 18, 1979 meeting were unanimously approved as submitted. Executive Director Hunt reported on the pending problem with the House Ways and Means Committee in Washington with respect to the transitional ruling on the Ullman bill. Evidently all 37 members of the committee have voiced approval for the transitional ruling but as yet have not signed a written transcript nor do they seem in a great hurry to do so. Part of the problem was that after the bill had been marked up and the conditions of the transitional rule had been agreed to, Congressman Jacobs, the next day, proposed an alternative to tax exempt bonds in the form of a tax credit to individual home buyers. His proposal was not acted on but it did further delay any decisive action being taken on the transitional rule.

Mr. Ingalls of Hawkins, Delafield and Wood explained the necessity of having such a transcript signed or at least knowing that a revision to the Ullman bill had been drafted before his firm would be able to give a clear counsel's opinion on the intended VHFA bond issue. The investors need to know that there is no pending legislation that would impact their investment. Mr. Ingalls said that the House Ways & Means Committee would again be meeting on the 28th of June and was confident that definitive action would be taken to incorporate the amendment into the bill.

Andy Gurley of Goldman Sachs described several alternatives that he felt the Agency had with respect to marketing the bonds. One was to proceed based upon Congressman Jeffords' letter that stated confidence that the problem would be resolved based on his discussions with the Committee. Mr. Gurley felt this would be undesirable rate-wise, ill-received in the market place and would not illicit a clear Bond Counsel opinion. The other alternatives resulted in the following resolution:

The Vermont Housing Finance Agency hereby authorizes preparations for the sale of Mortgage Loan Bonds, 1979 Series A and Single Family Mortgage Purchase Bonds, 1979 Series A on or about June 29; sale is to be on the condition that if a satisfactory opinion of bond counsel is not available at closing, the proceeds of sale will be deposited in escrow until a satisfactory opinion is received; if such opinion is not received within one year after closing, the bonds will be called at par from the escrow, provided the escrow can be invested at a sufficient yield to pay off the non-asset bonds.

Chairman Field abstained from the voting because his proposal to offer investors a premium, in case the bonds needed to be called, was not incorporated in the resolution.

Mr. Hunt noted that Vermont's Congressional delegation had done everything possible to help but it is a House Issue and further endeavors would be inappropriate.

Mr. Hunt suggested the Board turn its attention to certain problems in the multifamily program. He pointed out that several members of Lower Champlain Housing Authority were invited to the meeting but were unable to attend. It was agreed that this proposal would be taken up at the next meeting.

Mr. Hunt reported on action taken by Vermont State Housing Authority on May 31, 1979, reducing rents on the Alburg, Bethel, Montpelier and Barton proposals previously approved in concept by VHFA. He described the apparent reasons for VSHA's action, based on their revision of VHFA's required 5 percent allowance for vacancy and collection losses in family projects. Mr. Russ Hahn of VSHA staff was invited to address the Board. Mr. Hahn presented the data relied on by VSHA in reducing the vacancy and collection loss allowance. An extended discussion followed, centering around VHFA's experience to date with the eight Section 8 projects that submitted audited financial reports for 1978. The consensus of the Board was that it would be inappropriate to revise one contingency item in a projected budget without an analysis of all other estimated expenses in the budget. Chairman Field directed VHFA staff to re-evaluate the projected operating budgets of the four proposals in light of the best data available on actual operating expenses of projects in the VHFA portfolio, and to exercise their professional judgment to determine the financial feasibility of the four proposals in question.

Mr. Hunt recounted the Board's previous action on the Northfield project, in which they required that tenants in the family units pay their own utilities with a utility allowance. He reported that VSHA had failed to incorporate the utility allowance into the Section 8 contract. He proposed that in order to close the permanent loan on this project which is now completed, the developer be permitted to pay all utilities for the first year of operation, that data be collected and analyzed during the first year to establish an appropriate utility allowance, and that tenants pay their own utilities with a utility allowance in the second and succeeding years. A motion was made to accept this proposal. The motion was seconded and approved by vote of 5 - 0.

Mr. Hunt presented a request from William Kohlhepp, developer of the Linden Terrace project in Rutland for the release of the entire three-year equity escrow deposit on that project. Mr. Kohlhepp has stated that Linden Terrace Limited Partnership had incurred certain architectural fees and certain interest charges on hypothecation of notes from limited partners in order to complete the development of Linden Terrace and that the Partnership did not have sufficient funds to pay these debts. Mr. Hunt reported that although the permanent loan was not closed until October 5, 1978, the project has actually been operating successfully since May 15, 1978. A motion was made and seconded to release one-third of the equity escrow deposit at this time. The motion carried.

Mr. Hunt asked whether the Board would consider a new proposal from Mr. Kohlhepp for 22 units of elderly housing in Fair Haven. This would be in addition to the 40 unit proposal of Mr. Milot. Commissioner Spangler reported that his office had conducted a market study of the Fair Haven area and concluded that the additional units could easily be absorbed without dislocating the private rental market. Mr. Hunt expressed some reservations about Mr. Kohlhepp's ability to undertake the project financially in view of his difficulties with Linden Terrace. A motion was made and seconded to entertain Mr. Kohlhepp's proposal, but only if "bonus" Section 8 units are awarded to the State and only if the staff, after diligent investigation, is satisfied that the developer or developers have the financial capacity to undertake the project. The motion passed by a vote of 5 - 0.

Ms. Chetti reported that Mr. Jameson has complied in all respects with the requirements for a Letter of Intention to finance his proposal family development in Alburg. However, his proposal has not been submitted by VSHA to HUD and has not been determined to be financially feasible by VHFA because of the dispute over vacancy and collection loss allowances described earlier. In response to a question, Ms. Chetti reported that the proposal as previously approved by VHFA contained 1979 Fair Market Rents. Mr. Hunt recommended and a motion was made and seconded to issue a Letter of Intent with the specific condition that rents for the project will be the 1979 Fair Market Rents. The motion carried by a vote of 5 - 0.


Ms. Nichol reported that Mr. Lunde has complied in all respects with the requirements for a Letter of Intent to finance the proposed elderly development at the Darling Inn in Lyndonville, except that the construction lender's tentative commitment is contingent on the availability of funds, which are currently in short supply, and that Vermont Office on Aging funds at this site are not assured. Mr. Hunt recommended that a Letter of Intent be authorized, contingent on construction financing and on congregate housing services being available. A motion to that effect was made and seconded and approved by a vote of 5 - 0.

Mr. Hunt presented the Board with a proposed 1979/1980 budget. After questioning Mr. Hunt and Mr. Frazier about various items, it was moved and seconded to defer approval of the budget until additional information could be presented at the next meeting. The motion was approved unanimously.

Mr. Hunt presented a proposed New Homes Program, in which a reservation of single-family mortgage funds (or conditional take-out commitment) would be made to interested homebuilders who applied and agreed to build certain kinds of single-family homes for persons and families of low and moderate income. These would be recycled funds from the 1978 Mortgage Purchase Program and from the 1979 program, if and when it is implemented. The Board authorized Mr. Hunt to publicize the program and to solicit applications from interested builders, subject to Board approval of the language of the commitment agreement at its next meeting.

The meeting was adjourned at 5:45 p.m.

Respectfully submitted,

  
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Allan S. Hunt, Secretary



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

SPECIAL MEETING OF  
THE VERMONT HOUSING FINANCE AGENCY  
July 25, 1979  
STATE TREASURER'S OFFICE, MONTPELIER, VERMONT

1. Discussion and adoption of revised rules & regulations including discussion on definition of new construction.
2. Adoption of series resolution authorizing the issuance and sale of \$                      Single Family Mortgage Purchase Bonds, 1979 Series A.
3. Resolution authorizing the acceptance of Application and Commitment Agreements with mortgages, lenders and the execution of the purchase and servicing agreement(s).
4. Adoption of second supplemental Loans to Lenders Bond Resolution authorizing \$9,880,000 Mortgage Loan Bonds, 1979 Series A.
5. Resolution authorizing the execution of the Loan Agreement and Collateral Assignment Agreement for the 1979 Loans to Lenders Program.
6. Multifamily:
  1. Barton Letter of Intent
  2. Woodstock Construction Financing
  3. Lower Champlain - Discussion.
7. Any other old or new business.



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

### AGENDA

#### VHFA BOARD MEETING

FRIDAY, AUGUST 10, 1979 @ 9:00 a.m.  
STATE TREASURER'S OFFICE - MONTPELIER

1. Approval of minutes of July 12 and July 25 VHFA Board Meetings.
2. Proposal from Lt. Governor Madeline Kunin re: Energy Conservation.
3. Allocation of Builders Set-asides.
4. Multi-family program:
  - A. Alburg competition
5. Review of VHFA pension plan:  
Presentation of Baxter Cummings & Marc Weissman of Penn Mutual.
6. Other Old or New Business.



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

VERMONT HOUSING FINANCE AGENCY  
BOARD MEETING  
July 12, 1979 @ 1:00 p.m.  
COUNTRY PARK APARTMENTS, SOUTH BURLINGTON

PRESENT: Vice-Chairman Shaw, Commissioner Hebard, Commissioner Myette, Commissioner Gardner, Executive Director Hunt, Deputy Director Dickson, Ms. Thielen, Ms. Nichol, Reverend Kellogg, and Mr. Bartholemew of Lower Champlain Non-Profit housing; Ms. Bookchin of the Rutland Herald.

Commissioner Hebard began the meeting by moving that the minutes of the June 19 and the conference call of June 1 be approved. Commissioner Gardner seconded the motion and all voted in favor.

Mr. Bartholemew and Reverend Kellogg of the Lower Champlain Non-Profit Housing Corporation were introduced to the Board. Mr. Bartholemew explained that he is asking the Board for conceptual approval of 60 units of housing for the elderly, 15 units to be located in each of the Town of Bridport, Benson, Orwell, and Shoreham respectively. After considerable discussion, Commissioner Gardner made the following motion: "That the Board conceptually approve 15 units out of the current application, 15 bonus units, 15 units in 1980 if 100 or more elderly units are allocated to the state, 15 units in 1981 if 100 or more elderly units are allocated to the state; all sites will be approved individually; the Lower Champlain Non-Profit Housing will raise a \$5,000 pledge from the townspeople to serve as earnest money. Rutland Savings Bank or some other lending institution commitment must back the entire conceptual project in the form of an adequate construction financing. Commissioner Hebard seconded the motion. All were in favor.

Mr. Hunt then updated the Board on the status of the single family bond issue and expressed optimism that the bonds could be marketed next week and delivered early in August. He also informed the Board that information on the New Homes program has been released to the press and builders.

Mr. Dickson then asked the Board for guidance on how to deal with potential shortfalls in the operating budgets of most

of the projects in the pipeline. Commissioner Shaw said he is opposed to the balloon payment option. Commissioner Myette stated he thought VHFA should notify the State Housing Authority that VHFA would not approve a particular project unless a rent increase of a certain percentage is approved by the Authority. Commissioner Hebard proposed a resolution that the Board accept no further Section 8 applications until a procedure for arriving at financial feasibility has been established in conjunction with VSHA. Commissioner Myette seconded. The motion passed unanimously.

Ms. Nichol presented the Board with a proposal from Marcel and Anita Gervais for 12 units of family housing in Island Pond. Commissioner Hebard made the motion to conceptually approve the proposal subject to financial feasibility. Commissioner Gardner seconded the motion. It passed unanimously.

Ms. Nichol then presented the proposal of Richard Dybvig and Harold Rolls for 12 units of family housing in Chelsea. Commissioner Gardner moved for conceptual approval subject to financial feasibility. Commissioner Hebard seconded. All voted in favor.

Ms. Thielen presented the Board with two competing proposals for the Town of Vergennes, one for 24 units for housing for the elderly from Jerry Milot, one for 22 units from William Wessel. The motion was made by Commissioner Myette to select the Wessel proposal subject to financial feasibility, and the provision of interior hallways or an appropriate alternate design solution. Commissioner Gardner seconded the motion which passed unanimously.

The Board then considered two competing proposals for housing for the elderly in Alburg: one for 22 units by Robert Kessel & William Duff, one for 24 units by Wayne Jameson. On a motion by Commissioner Hebard and a second by Commissioner Gardner they unanimously selected the Kessel/Duff proposal subject to financial feasibility and revision of the site plan.

A six unit family housing project in Rochester was then presented. Earle Simpson, Jr. is the developer. Commissioner Gardner spoke highly of Mr. Simpson's capabilities and Commissioner Hebard moved that the project be approved contingent on financial feasibility. The Board agreed to go along with VSHA's recommendation that the new units be designed as townhouses. Commissioner Myette seconded the motion. Commissioners Shaw, Myette and Hebard voted in favor. Commissioner Gardner abstained.

Ms. Nichol summarized Robert Caron's proposal for 20 units of family housing in Randolph. Commissioner Gardner moved that the project be approved subject to financial feasibility; Commissioner Myette seconded. All were in favor.



Ms. Thielen presented the proposal of William Flanders and Franklin Grand Isle Housing for 24 units of housing for the elderly in Richford. Commissioner Hebard moved to approve subject to financial feasibility and design improvements. Commissioner Myette seconded the motion which passed unanimously.

On a motion by Commissioner Myette, the Board then approved a Letter of Intent for the Fair Haven project subject to receipt of a letter from the town estimating the amount of the taxes. Commissionr Garnder seconded the motion. All Commissioners voted in favor.

A Letter of Intent was also authorized for Ed Steele's Waterbury proposal subject to a reduction in taxes by the Town of Waterbury from the original estimate. Commissioner Hebard made the motion, Commissioner Myette seconded. All were in favor.

Ms. Nichol showed the Board a sample of the masonite siding painted and spaced to look like wood clapboard which Ray Babcock proposes to use on his apartments in Barton. Commissioner Gardner made the motion for approval, Commissioner Myette seconded. Commissioner Shaw, Myette and Gardner voted in favor with Commissioner Hebard abstaining.

Ms. Thielen then described a potential family housing site in Monkton stating that it does not meet the VHFA distance to services requirements and that the Board would have to waive them for this site. After some discussion Commissioner Myette moved that the Board not waive the requirements in view of energy conservation considerations and that, therefore, they could not consider this site for family housing. Commissioner Myette seconded the motion with all Commissioners voting in favor.

The Board then discussed rescinding their resolution requiring the Lundes to obtain a bonded general contractor in lieu of acting as construction managers on the Darling Inn project. Commissioner Hebard moved to allow a construction manager, subject to approval by the construction lender. Commissioner Myette seconded. All were in favor.

The Board next discussed the proposed Agency budget and subject to some minor revisions, unanimously approved the budget along with requesting that the staff develop an employee's handbook detailing employee responsibilities and benefits.

At 5:35 p.m., the motion was made and unanimously approved to adjourn.

Respectfully submitted,



Allan S. Hunt  
Secretary



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

VERMONT HOUSING FINANCE AGENCY  
BOARD MEETING  
July 25, 1979 @ 1:00 p.m.  
STATE TREASURER'S CONFERENCE ROOM  
MONTPELIER

PRESENT: Chairman Field, Vice-Chairman Shaw, Commissioner Hebard, Commissioner Spangler, Executive Director Hunt, Deputy Director Dickson, & Mr. Frazier; Mr. Robinson and Mr. Ingalls of Hawkins, Delafield and Wood; Mr. Gurley, Mr. Freund, and Mr. Bakiris of Goldman Sachs and Co.; Mr. DeSears and Ms. Stearns of Brown, Wood, Ivy, Mitchell and Petty; and Mr. Sylvester, Mr. Cooper, and Mr. Underwood of E.F. Hutton.

Chairman Field called the meeting to order at 1:00. Director Hunt described the current status of the Ullman bill (HR 3712) and speculated about the likely changes which may be introduced before final passage. He recommended that VHFA's rules and regulations be broadened in order to permit VHFA to respond more quickly to new restrictions that may be placed on the use of tax-exempt bond proceeds. He presented the Board with two proposed resolutions in regard to Single Family Program Limits. Resolution No. 1 would remove all specific program limits on income, mortgage amount, and maturity date from the formal administrative rules of the Agency, and provide instead that specific program limits shall be adopted by a Board resolution for each bond issue. After some discussion, Resolution No. 1, as attached, was moved, seconded and approved unanimously.

The second proposed resolution presented to the Board summarized the 1979 Single Family program limits. After considerable discussion on the definitions of "new construction" and "substantial rehabilitation", Resolution No. 2, as attached, was moved, seconded and approved unanimously.

Mr. Robinson briefly explained to the Board the reasons for the cutback in the total 1979 Bond issue size from \$52,700,000 to \$45,000,000. The reductions arose from the transition rules adopted by the House Ways and Means Committee.

Mr. Robinson then proceeded to give a section by section summary of the Series Resolution Authorizing the Issuance and Sale of \$35,120,000 Single Family Mortgage Purchase Bonds, 1979 Series A, and the Second Supplement Loans to Lenders Bond Resolution authorizing \$9,880,000 Mortgage Loan Bonds, 1979 Series A. Mr. Robinson explained that these Resolutions also authorize the distribution of the respective Official Statements and the execution of the respective Purchase Contracts associated with each bond issue. Several changes in the printed document in the term maturities of the Single Family Mortgage Purchase Bonds were noted and the Hartford National Trust Company of New York was filled in as a paying agent for each issue.

The Board then voted on and approved unanimously the Series Resolutions authorizing the issuance and sale of \$35,120,000 of Single Family Mortgage Purchase Bonds, 1979 Series A and \$9,880,000 of Mortgage Loan Bonds, 1979 Series A.

Mr. Hunt introduced to the Board resolutions accepting the applications and commitments of the mortgage lenders and authorizing the execution of the Application and Commitment Agreements, Mortgage Loan Purchase Agreements and Mortgage Loan Servicing Agreements. The Resolutions (attached) were moved, seconded, and approved unanimously

The Purchase Contracts were executed with Goldman Sachs and Company and E.F. Hutton and Company representatives and a good faith check in the amount of \$527,000 was presented to the Agency.

Regarding the multifamily program, Mr. Hunt reported that sponsors of the proposed Barton project had complied with all requirements for a letter of intent, and recommended that such a letter be issued. It was moved and seconded that a letter of intent be issued for the Barton proposal. The motion carried by a vote of 3-0, Mr. Hebard abstaining.

Mr. Hunt described the situation with regard to the proposed expansion of the Woodstock project, in which the sponsors have been unable to find a construction lender willing to take a mortgage that would be subordinate to VHFA's first mortgage on the land and existing buildings. Given the strength of the general contractor, the experience and cooperative behavior of the sponsor and architect, and the absence of apparent unusual construction problems, Mr. Hunt recommended that VHFA provide construction financing for Phase II of the Woodstock project. This financing would be subject to the conditions and procedures outlined in the Construction Financing Supplement to the draft Developers Handbook, distributed to the Board on March 23.

Discussion ensued, and a motion was made to provide construction financing at an interest rate of 9.5 percent and with a one percent financing fee. The motion was seconded and approved. Mr. Hunt thereupon recommended that VHFA issue a letter of intent for Phase II of the Woodstock project. A motion was made, seconded and approved to amend the previous motion by adding authorization to issue a letter of intent.

Mr. Hunt discussed the Lower Champlain Housing Authority proposal, presented at the meeting of July 12. He reported that some members of the group are dissatisfied with the actions taken by VHFA at that time. It was suggested that Mr. Hunt distribute the record of correspondence to the Board, and that Mr. Bartholomew and Thomas Ryan, of Rutland Savings Bank, be invited to the next VHFA Board meeting.

The meeting was adjourned at 3:15 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Allan S. Hunt", with a stylized flourish at the end.

Allan S. Hunt



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

AGENDA  
VHFA BOARD MEETING  
FRIDAY, SEPTEMBER 14, 1979 at 1:00 p.m.  
VHFA FIRST FLOOR CONFERENCE ROOM, BURLINGTON

1. Approval of minutes of August 10 and August 21 Board meetings.
2. Multifamily Program:
  - A. Permanent financing resolutions
    - (1) Essex Junction - including discussion of interest savings.
    - (2) White River Junction
    - (3) Morrisville
  - B. Letters of Intent
    - (1) Vergennes
    - (2) Bristol
    - (3) Rochester
    - (4) Randolph - including VHFA construction financing (see enclosed).
  - C. Request for mortgage increase and construction financing resolution: Woodstock II (see enclosed).
  - D. Barton project: request for reduction of 20 percent letter of credit requirement to 10 percent.
  - E. Policy issues
    - (1) Masonite siding requested for Island Pond project.
    - (2) Oil heat
    - (3) Construction financing with loan guarantees in King Street Strategy Area.
    - (4) Authorization to release Developers' Handbook
  - F. New Proposals
    - (1) King Street - Jensen
    - (2) King Street - Duggan
    - (3) King Street - Harrington
    - (4) King Street - Eno
    - (5) King Street - Forcier (tentative)
    - (6) St. Johnsbury/Danville - Kirker
    - (7) Newbury - Knight
    - (8) Waterbury - Parisi
    - (9) Williamstown - Dibbern
    - (10) Chelsea - Rolls/Dybvig - (alternative site; operating budget problems)

3. New Homes Program - Park Place Condominium request for 50 percent commitment instead of 30 percent.
4. Single Family Program update.
5. Continuation of pension plan discussion.
6. Other old or new business to come before the Board.



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

VERMONT HOUSING FINANCE AGENCY  
BOARD MEETING  
August 10, 1979, 9:00 a.m.  
State Treasurer's Office, Montpelier

Present: Commissioners Hebard, Spangler, Ledbetter, and Myette (by speaker phone); Executive Director Hunt, Mr. Dickson, and Mr. Driscoll of DCA.

The Commissioners elected Mr. Hebard temporary chairman. The minutes of July 12 and 19 were approved as submitted, with one correction: Mr. Myette did not second the motion reported on page 3 regarding Monkton.

Executive Director Hunt presented his recommendations for reservation of recycled funds for the New Homes Program. He explained that the Agency's line of credit will be used to fund the program initially and will be repaid with recycled single-family funds as they are collected. After discussion, it was moved and seconded to accept Mr. Hunt's recommendations. The motion passed unanimously.

Lt. Gov. Madeline Kunin addressed the Board regarding energy conservation measures. She presented a series of recommended steps that VHFA could take to encourage and facilitate residential energy conservation. She urged the Agency to expand and publicize its Home Improvement Loan Program. She also urged the Agency to consider energy costs when underwriting single-family loans and to offer more favorable lending terms to buyers of energy-efficient homes, and presented a detailed list of recommended ways of doing this. After a lengthy discussion, the Commissioners requested Director Hunt to research and report on similar programs conducted in Michigan and Minnesota, and to prepare a set of proposals for Board consideration.

Assistant Treasurer Ed Gallison was invited to join the meeting. Mr. Hunt raised the subject of instituting a pension plan for the Agency and briefly outlined his thoughts on the matter. He introduced Mr. Baxter Cummings and Mr. Marc Weissman of Penn Mutual Life, who presented a detailed proposal. After an extended discussion, the Board agreed to table the issue and discuss it further at a later meeting.

The Alburg elderly housing proposals were again taken up. VSHA and VHFA have not agreed on which proposal to fund. After discussing the merits and problems of both proposals, Commissioner Ledbetter moved the following resolution: that both proposals are unacceptable in their present state; that VSHA be asked to specify the maximum rent it will approve; that VHFA specify the minimum operating budget it will require; that the resulting net income available for taxes and debt service be computed; that this figure, together with the expected rate and term of the mortgage loan be communicated to both developers; and that new proposals from both developers be solicited. The motion was seconded and approved unanimously.

Deputy Director Dickson reported that Wayne Jameson, developer of the Alburg family project, has been informed by his construction lender that funds are no longer available for his project, due to a moratorium on all lending. It was moved and seconded that VHFA will provide construction financing for this project under the same terms and conditions previously authorized for the Woodstock development, but only if and when the developer has exhausted all other alternatives. The motion was approved unanimously.

Commissioner Ledbetter reported that Vermont State Housing Authority approved on August 9, 1979, revised Contract Rents for the Bethel proposal in the amount of \$52,416 and for the Montpelier proposal in the amount of \$53,448. He observed that these rents were close to but not exactly the same as those recommended by VHFA staff as a result of its analysis of operating costs but that he did not know how they were computed. He moved the VHFA also approve these rents. The motion was seconded and approved unanimously.

Commissioner Spangler reported that VSHA has agreed to submit to HUD proposals for Waterbury, Chelsea, Island Pond, and Vergennes requesting the Contract Rents recommended by VHFA staff as a result of its analysis of operating costs, but that final Contract Rents awarded these projects will depend on the results of an inter-agency committee of conference to be appointed by the respective chairmen and to meet with staff to resolve any differences and to devise a methodology for estimating operating expenses for all future proposals. He moved that VHFA endorse these rents and this procedure. The motion was seconded and approved unanimously.

Mr. Dickson reported that if the rents approved above are actually awarded, then the proposals for Waterbury, Island Pond, Bethel and Montpelier have met all requirements for a Letter of Intent. Executive Director Hunt recommended that Letters of Intent for these four projects be authorized. It was so moved, and the motion was seconded and passed unanimously.

Commissioner Ledbetter inquired about the status of the Chelsea and Vergennes proposals. Mr. Hunt replied that not all conditions for a Letter of Intent have yet been satisfied. It was moved and seconded that Letters of Intent be issued for these two projects if and when all requirements have been satisfied. The motion was approved unanimously.

Mr. Hunt reported that the "First Time Homebuyer" rule previously adopted on July 25 for the upcoming single family program has given rise to a number of complaints because the exceptions permitted would operate in favor of out-of-state migrants and against Vermont residents. Discussion ensued. It was moved to restrict the program only to first time homebuyers, except in cases where the sale of a previous home was occasioned by a job-related move to another community and insufficient equity was realized from the sale to permit conventional financing of the new home. The motion was seconded and approved unanimously.

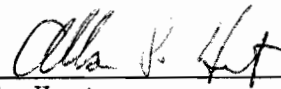
Mr. Hunt reported that the volume of closings expected to be generated by the single-family and multi-family programs in the near future, plus his desire to initiate a number of variations in these programs, seem to warrant hiring



a staff attorney as general counsel to the Agency. It was moved and seconded to authorize Mr. Hunt to hire a staff attorney at a total cost not to exceed that already budgeted for legal services. The motion was approved unanimously.

The meeting was adjourned at 12:35 p.m.

Respectfully submitted,

  
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Allan S. Hunt  
Secretary



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

Minutes of the VHFA  
CONFERENCE CALL  
1:30 p.m., August 21, 1979

PRESENT: Chairman Field, Commissioners Hebard, Ledbetter, Shaw, Spangler and Myette; Deputy Director Dickson.

Chairman Field called the meeting to order. Deputy Director Dickson reported that Vermont State Housing Authority requirements for larger duplex apartments in the Bethel and Montpelier projects will necessitate mortgage increases for both projects. The rent increases approved by VSHA were calculated on the basis of the higher mortgages and did not include the full operating budgets requested by VHFA. However, he reported that the developer's estimates of utility expenses are significantly below VHFA's, and if they are correct then the increased rent will be sufficient. The mortgage increases requested were \$50,294 for Bethel, yielding a new mortgage amount of \$329,614, and \$54,174 for Montpelier, yielding a new mortgage amount of \$353,424. Mr. Dickson recommended that these increases be approved contingent on documentation of utility estimates.

Mr. Dickson reported that VSHA has also approved a rent increase for the Waterbury project to cover a mortgage increase of \$14,220, yielding a new mortgage of \$350,767. Again, this increase is due to design changes required by VSHA. He recommended that the increase be approved.

Finally, VSHA has approved a rent increase for the Milton project to cover a mortgage increase of \$68,140, yielding a new mortgage of \$642,700. This increase is to cover increased costs of construction and interim financing during the processing period. Mr. Dickson recommended that the increase be approved.

Discussion followed. It was moved and seconded to approve these mortgage increases. The motion was approved by a vote of 6 - 0.

Mr. Dickson reported that the Richford project has completed all requirements for a Letter of Intent, and recommended that the letter be authorized. It was moved and seconded to authorize a Letter of Intent for Richford. The motion was approved unanimously.

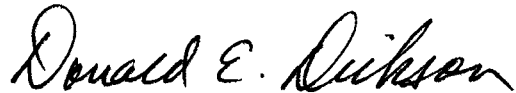
Mr. Dickson reminded the Board that three proposed condominium projects received commitments of recycled funds as pilot projects several months ago, before the complete set of requirements were adopted for the New Homes Program at the last meeting, and reported that they do not meet the requirement for FHA, VA or HOW

inspection. The three projects are Flanders in South Burlington, Burlington General Contractors in Burlington, and Construction Management in Rutland. He recommended that the three projects be granted a waiver of this requirement. It was so moved and seconded, provided that all VHFA inspections are performed, with special attention to energy conservation requirements. The motion carried unanimously.

Commissioner Myette raised the subject of a VSHA Resolution adopted August 9, 1979 and distributed to HUD officials and to Sen. Leahy. After considerable discussion, it was suggested that recipients of this resolution be informed of the outcome of negotiations regarding annual subsidies for the projects mentioned in the resolution.

The meeting was adjourned at 1:50 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Donald E. Dickson".

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Donald E. Dickson, Deputy Director



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

### AGENDA VERMONT HOUSING FINANCE AGENCY BOARD MEETING

Tuesday, October 23, 1979, 9:00 a.m.  
State Treasurer's Office, Montpelier

1. Presentation of proposals for Darling Inn, Lyndonville (with Vermont State Housing Authority).
2. Approval of minutes of meetings of September 14 and October 17, 1979.
3. Presentation of other new proposals for tentative approval:
  - a. Burlington NSA (Turkovitch)
  - b. Burlington NSA (Rooney)
  - c. Burlington NSA (Schwartz)
  - d. W. Townshend (Taylor Farm Ltd. Partnership)
  - e. Wilmington (H. Berezin)
  - f. St. Albans (M. Berezin, S. Ziner)
  - g. North Bennington (Heaton)
4. Authorization of Letters of Intent.
  - a. Burlington NSA (Duggan)
  - b. Burlington NSA (Jensen)
  - c. Burlington NSA (Eno)
  - d. Danville/St. Johnsbury (Kirker)
  - e. Newbury (Knight)
  - f. Benson/Orwell - including request for waiver (LCHC)
  - g. Waterbury II (Parisi)
  - h. Randolph II (Caron)
5. Waterbury project: Transfer of ownership to corporation.
6. Norwich proposal: Request for waiver of 12-unit limit
7. Single-family program:
  - a. Energy Loan proposal
  - b. Lane Shops condominium proposal
8. Other old or new business to come before the Board.



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

### VERMONT HOUSING FINANCE AGENCY BOARD MEETING

September 14, 1979, 1:00 p.m.  
135 Church Street, Burlington

PRESENT: Chairman Field, Vice-Chairman Shaw, Commissioners Hebard, Gardner and Myette (Mr. Ledbetter arrived late); Executive Director Hunt, Mr. Dickson, Ms. Nichol, Mr. Driscoll, DCA; Ms. Hawland, Rutland Herald.

Chairman Field called the meeting to order. The minutes of the August 10 and August 21 Board meetings were approved as submitted. Mr. Hunt reported that a recent study by Prescott, Ball & Turben, a New York brokerage firm, had given very high marks to VHFA's multifamily program.

Mr. Hunt informed the Commissioners that Mr. Alfred Lunde, developer of the proposed Darling Inn project in Lyndonville, had requested reconsideration of a staff decision on September 5 to reject his proposal. Mr. Hunt stated that the subject of the controversy dealt with potential contracts, a threat of civil action at law, and real estate transactions. It was moved and seconded to go into executive session to consider Mr. Lunde's request for reconsideration. The motion was approved by a vote of 5-0. Mr. Driscoll and Ms. Hawland left the meeting room at that time. During the executive session Mr. Lunde, his architect, and his attorney were invited into the meeting.

After extrusive discussion, the Board again declared the meeting open. Commissioner Shaw moved the following resolution:

Upon reconsideration of Mr. Lunde's counter-offer of September 4, 1979, including more than one-half hour of questions and answers with Mr. Lunde, Vermont Housing Finance Agency hereby reaffirms its rejection of Mr. Lunde's counter-offer as expressed in our letter of September 5, 1979.

The motion was seconded, and approved by a vote of 5-0.

Mr. Hunt presented to the Board three resolutions regarding permanent financing for the Essex Junction, White River Junction, and Morrisville projects, all of which were near completion. He also reported to the Board a request by Mr. O'Brien, developer of the Essex Junction development, that he be allowed to apply any savings realized on construction financing interest to certain additional capital improvements for the development (see minutes of October 31, 1978). It was moved and seconded to approve all three permanent financing resolutions and Mr. O'Brien's request. The motion carried by a vote of 5-0.

Chairman Field had to leave the meeting at this point and Vice-Chairman Shaw took over the chair.

Mr. Hunt recommended that the Board approve issuance of a Letter of Intent to finance the Vergennes proposal of William Wessel, subject to receipt of revised 501 and 502 forms and a revised drawing of the second floor egress. A motion was made and seconded to approve the Letter of Intent. The motion was carried by a vote of 4-0.

Mr. Hunt recommended that the Board approve issuance of a Letter of Intent to finance the Bristol proposal of Michael and Donna Burke. A motion was made and seconded to approve the Letter of Intent. The motion was carried by a vote of 4-0.

Mr. Hunt reported that the Rochester proposal of Earl Simpson was ready for a Letter of Intent with the exception of a tax letter from the town. He recommended issuance of a Letter of Intent contingent on receipt of the tax letter. This was moved, seconded and carried by a vote of 4-0.

Mr. Hunt reported a request from Geoffrey Nichols, developer of the Woodstock II proposal, for an increased mortgage of \$471,119 because of an unexpected charge from Central Vermont Public Service. Mr. Hunt recommended the increase not be granted, because the charge should have been anticipated and the project operating budget is already insufficient to meet VHFA underwriting standards; Mr. Nichols' expectation that expected savings in local taxes will carry the added debt is too uncertain to rely on. Mr. Nichols addressed the Commissioners to explain the reasons for his request. Mr. Hunt presented a proposed financing resolution for the Woodstock project, which is necessary at this time because VHFA will be providing construction financing. It was moved to approve the mortgage increase and the financing resolution, conditional on a construction start by October 15 and on the developers making his best efforts to get a reduction in the CVPS charges. The motion was seconded and approved by a vote of 4-0.

Mr. Hunt presented a request by Frank Babcock, developer of the Barton project, for a reduction of VHFA's requirement for a 20 percent Letter of Credit to secure the one-year builder's warranty, to a 10 percent Letter of Credit. Mr. Dickson reminded the Board that it has previously approved a 15 percent Letter of Credit in cases where the builder is essentially the same person as the owner. It was moved and seconded to reduce the requirement to 15 percent. The motion was approved by a vote of 3-0, Mr. Hebard abstaining.

A number of general policy issues were brought up for discussion. The use of masonite siding has been requested in the Island Pond project, and was approved unanimously. The use of oil heat vs. electric heat was discussed at length. It was agreed that this is an important issue of public policy, but that insufficient information is available to reach a general determination. The Board concluded only that each project must be evaluated on its own merits.

Mr. Hunt presented a proposal for VHFA construction financing of developments in the King Street, Burlington NSA project. This would be based on a loan guarantee from the City of Burlington, secured by Community Development funds amounting to up to 29 percent of the cost of each project. A motion was made and seconded to approve this proposal in concept. The motion carried unanimously.

Mr. Hunt requested authorization to release the VHFA Developer's Handbook. The staff now spends an inordinate amount of time explaining procedures to developers, time that would be saved if the Handbook were distributed to VSHA objections to the contents of the Handbook have never been submitted in waiting. A motion was made to authorize release of the Handbook with a cover sheet disclaimer notifying recipients that VSHA may have different requirements and procedures. The motion was seconded and approved by a vote of 4-0.

Commissioner Ledbetter joined the meeting at this point.

Ms. Nichol presented a proposal from Richard M. and Barbara B. Jensen to substantially rehabilitate an existing apartment building in the Burlington NSA, at 94 Maple Street. Several Commissioners objected to the request for a 20-year mortgage because of its inflationary impact on the rents, as compared with a 30 year mortgage. After extended discussion, it was moved and seconded to establish a general policy to allow 30-year mortgages only in the Burlington NSA. This motion was approved by a vote of 4-1. It was then moved to approve the Jensen proposal with a 30-year mortgage. This motion was approved by a vote of 5-0.

Mr. Robert Caron and his architects, Harold Rolls and Richard Dybvig, were invited to address the Commissioners regarding their proposal for 20 units of family housing in Randolph. As part of this discussion, Ms. Nichol and Mr. Dickson reported that they had met with the developers and with VSHA staff for several hours on August 30 to review construction and operating budgets and the documentation thereof. The conclusion of that meeting was that the Randolph proposal would just barely be economically feasible, only if VHFA provided construction financing and if VSHA approved rents amounting to approximately 110 percent of the HUD-recommended Fair Market Rents (FMRs). It had been VHFA's understanding that VSHA staff would recommend approval of this rent level. However, at a subsequent VSHA board meeting, a rent level of only 105 percent of FMR's was recommended by staff and approved by their board. The project thus was not economically feasible in the judgment of VHFA staff.

Commissioner Ledbetter, who is also a Commissioner of VSHA, reported that he thought VSHA had approved or would approve a rent equal to 108 percent of FMR's. He moved to approve the Randolph proposal at rents equal to 108 percent of FMR's with VHFA construction financing, and offered to request VSHA to reconsider its previous limit of 105 percent. The motion was seconded and approved by a vote of 5-0.

Ms. Nichol presented a proposal from Joseph and Bette Duggan, for substantial rehabilitation of an existing apartment building in the Burlington NSA at 94-106 Maple Street. After a discussion of the proposal, centering around its high cost and the appraisal of existing property, the Commissioners asked Ms. Nichol to present the other NSA proposals together. She presented a proposal from Mr. & Mrs. Edward Harrington, Sr. to rehab property at 147-153 Maple Street, one from Mr. Harold Eno to rehab property at 113-117 Maple Street, and one from Mr. & Mrs. Almanzor J. Forcier to rehab property at 111 Maple Street. A motion was made and seconded to give tentative approval to all four proposals. The motion was passed by a vote of 5-0.

Ms. Nichol presented a proposal from Mr. David J. Kirker to rehabilitate four existing buildings, two in Danville and two in St. Johnsbury. After discussion, it was moved and seconded to give tentative approval to Mr. Kirker's proposal, and to forward it to VSHA for submission to HUD upon availability of Section 8 units. The motion was approved by a vote of 5-0.

Ms. Nichol presented a proposal from Mr. M.C. Knight, Sr. to construct 12 new units of family housing in the Village of Newbury. She pointed out that his operating budget will only be feasible if he uses the oil-wood combination heating system he has proposed. After discussion it was moved and seconded to give tentative approval to Mr. Knight's proposal, and to forward it to VSHA for submission to HUD upon the availability of Section 8 rent subsidy units. The motion was approved by a vote of 5-0.



Ms. Nichol presented a proposal from John Hausner, Robert Marcellino and Anthony Parisi to rehab two units and construct ten new units of housing for the elderly at 16 North Main Street in Waterbury. She pointed out that at present the proposal is economically feasible only if the mortgage is reduced by \$10,923 or if the developers' equity is increased by that amount. After discussion, it was moved and seconded to give preliminary approval to this proposal ("Waterbury II"), and to forward it to VSHA for submission to HUD upon availability of Section 8 units, contingent upon a \$10,923 mortgage reduction, or increase in equity. The motion was carried by a vote of 5-0.

Ms. Nichol presented a proposal from Mr. William Dibbern to construct eight units of family housing in Williamstown. After considerable discussion, it was moved and seconded to give tentative approval to Mr. Dibbern's proposal, provided that the units must be constructed on the site rather than factory-built, and provided that VHFA staff is given latitude to encourage improvements in exterior design within reasonable costs, and then to forward it to VSHA for submission to HUD upon availability of Section 8 units.

Ms. Nichol reported that the owner of the Chelsea land that was the proposed site of the family housing development has allegedly terminated the option, and that an alternative site has been proposed. She described the alternative site and recommended that it be approved. It was moved and seconded to approve the alternative site. The motion carried by a vote of 5-0.

Ms. Nichol presented the proposal of Lower Champlain Housing Corporation to construct 30 units of housing for the elderly in Orwell and Bensen. She reported that the plans and specifications submitted contained a large number of design defects and violations of HUD, VHFA and VSHA minimum property standards. She further reported that the developers have so far been unable to raise the \$5,000 pledge as an earnest money deposit required by VHFA at its meeting of July 12, 1979. After considerable discussion it was moved and seconded to give preliminary approval to the Orwell/Bensen proposal, subject to certain reservations including the \$5,000 pledge as earnest money, compliance with HUD and VHFA minimum property standards, and elimination of the "drip-through" walkway on the second floor; and then to forward the proposal to VSHA for submission to HUD. The motion was carried by a vote of 5-0.

Mr. Hunt reported on the status of the New Homes Program. He stated that due to some confusion in the initial stages of the program, the Park Place Condominium project was requesting a special exception from the 30 percent commitment rule, and was requesting a 50 percent commitment. It was moved and seconded to approve the 50 percent commitment in this case. The motion was approved by a vote of 5-0.

Mr. Hunt briefed the Commissioners on the status of the single family program. He reported that several banks have refused to make loans for new construction or even to include the amount of necessary repairs, in spite of the Agency's repeated efforts to encourage such loans. He also reported that virtually all of the proceeds of the \$45 million summer bond issue have been committed, most of it within a few days of the bond issue.

A request from David DuBrul to discuss the Lane Shops condominium project was tabled due to insufficient information.


Mr. Hunt briefly outlined a proposed \$2 million program of energy-related home improvement loans, to be tied in with the energy audits conducted by the State Energy Office. He asked for an expression of general interest from the Commissioners, who authorized him to proceed to develop the program and to present a more detailed proposal at a future meeting.

A discussion of condominium conversions ensued. Mr. Hunt recommended that because of the effect of condo conversions in reducing the existing stock of rental housing, VHFA should not finance such conversions. It was moved and seconded that VHFA will not finance the conversion of existing rental apartments to condominiums. The motion carried by a vote of 5-0.

Several Commissioners expressed an interest in sponsoring a seminar on housing, to include staff, Board members, architects and contractors, up to a maximum of 40 people. It was suggested that a hotel some place between Burlington and Montpelier would be an appropriate location. It was moved and seconded that VHFA would pay 50 percent of the cost of such a seminar. The motion was approved by a vote of 5-0.

The meeting was adjourned at 5:28 p.m.

Respectfully submitted,

  
Allan S. Hunt, Secretary

Attachments

VERMONT HOUSING FINANCE AGENCY

WAIVER OF NOTICE

I hereby waive notice of the meeting of Vermont Housing Finance Agency held on the 7<sup>th</sup> day of October, 1989.

Issued at Montpelier, Vermont this 2d day of May 1980.

Harold E. Shaw Jr.

Commissioner, Vermont  
Housing Finance Agency



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

VERMONT HOUSING FINANCE AGENCY  
BOARD MEETING  
October 17, 1979, 8:15 a.m.  
State Treasurer's Office, Montpelier

Present: Chairman Field, Commissioners Hebard, Gardner, Ledbetter, Spangler, and Myette (by speaker phone); Executive Director Hunt, Mr. Dickson; Barry Driscoll, DCA; Andrew Gurley, Goldman-Sachs; members of the press.

Chairman Field called the meeting to order. Executive Director Hunt related recent events in the financial markets which have forced both construction interest rates and tax-exempt bond yields to perhaps prohibitive levels. He reported that many projects in the upcoming multifamily bond issue do not have sufficient funds in their approved mortgages to pay conventional construction interest rates. He further reported that the expected rate the Agency will have to pay on these bonds is nearly 8.5 percent, and the loan rate projected for most of the projects in the issue is also 8.5 percent. The result is that income from the upcoming bond issue will not be sufficient to pay the Agency's cost of debt service and operations. He asked whether the Commissioners wanted to proceed with the issue.

After an extended discussion, Commissioner Ledbetter moved the following resolution:

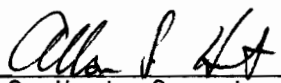
1. The Agency's existing line of credit under the Note Financing Agreement with Hartford National Bank should be expanded from \$6 million to \$12 million under the same terms and conditions.
2. The Agency will provide construction financing at a rate of 9.5 percent plus costs under its normal criteria when construction funds are not available from conventional lenders at reasonable rates.
3. The Agency will proceed with the multifamily bond issue in an amount sufficient to fund approximately \$16 million in mortgages, but loans to projects without a valid Letter of Intent on this date shall be at a permanent financing interest rate of 9.5 percent. Distribution of the Preliminary Official Statement for VHFA 1979 Series A Multifamily Bonds is hereby authorized under those conditions.
4. The Agency will request increases in Section 8 rents where necessary to pay the additional one percent on the permanent financing interest rate.

The motion was seconded and approved unanimously.

Chairman Field requested the staff to write to all developers affected by the interest rate change, informing them of the change. He further requested the staff to prepare a recommended procedure for Commissioners' approval of construction financing requests.

The meeting was adjourned at 9:20 a.m.

Respectfully submitted,

  
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Allan S. Hunt, Secretary



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

AGENDA  
VERMONT HOUSING FINANCE AGENCY  
BOARD MEETING  
BOARDROOM, FIRST VERMONT BANK  
WATERBURY, VERMONT, 3:30 p.m., DECEMBER 3, 1979

1. Approval of minutes of meetings of October 23, 1979, November 5, 1979 and conference call of November 2, 1979.
2. Multifamily Developments
  - a. Williamstown: Letter of Intent including appearance by Felicity Rural Preservation Association
  - b. Benson/Orwell: Request for waiver
  - c. Bradford: Permanent financing resolution, request for deviation from construction warranty requirement
  - d. Brandon: Permanent financing resolution.
  - e. Lyndonville: report on VSHA action; problem of corporate general partner
  - f. 147 Maple Street: Letter of Intent
  - g. 323 St. Paul Street: Letter of Intent
3. Update on Heat Conservation Loan Program
4. Review of quarterly unaudited statements (Enclosure)
5. Request of guardianship trust of Vermont for seed money loan (Enclosure)
6. Discussion regarding upcoming legislation session.
7. Other old or new business.



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

VERMONT HOUSING FINANCE AGENCY  
BOARD MEETING  
TUESDAY, OCTOBER 23, 1979, 9:00 a.m.  
STATE TREASURER'S OFFICE, MONTPELIER

PRESENT: Chairman Field, Vice-Chairman Shaw, Commissioners Hebard, Spangler, Myette (Commissioner Ledbetter arrived late); Executive Director Hunt, Mr. Dickson, Ms. Thielen, Ms. Nichol, VHFA; Mr. Driscoll, DCA; Mr. Probst, VSHA, members of the press.

Chairman Field called the meeting to order. It was moved and seconded to extend the deadline for a construction start on Woodstock II from October 15 to November 1, and otherwise to approve the minutes of the meeting of September 14, 1979. The motion carried. It was moved and seconded to approve the minutes of the meeting of October 17, 1979. The motion carried.

Ms. Thielen presented a proposal from Mr. David Brauer on behalf of PACE Inc. and Taylor Farm Ltd. Partnership for substantial rehabilitation and new construction totalling 19 units for the elderly in West Townshend. The proposal specified that tennis court maintenance will be supported by user fees, not project income, and that two small cabins to be renovated will not be renovated with VHFA mortgage loan proceeds and will not be maintained or heated with Section 8 rental income. She advised the Board that the operating budget as submitted is inadequate and recommended preliminary approval subject to a staff determination of financial feasibility. It was moved and seconded to approve the proposal in this basis. The motion was carried by a vote of 5-0. It was also suggested that the VHFA staff should ask the developers about enclosing the porch, and should advise the many parties who have expressed interest in this proposal of its potential financial problems, so they will understand the reasons in case the proposal is ultimately unsuccessful.

Ms. Thielen presented a proposal from Herbert Berezin to rehabilitate the Craft's Inn in Wilmington to provide 29 units of Section 8 housing for the elderly. After extended discussion it was moved and seconded to table the proposal pending design revisions to incorporate some two-bedroom units, flood-proof the heating, electrical and elevator equipment, and re-arrange the first floor layout, and pending a determination of financial feasibility and a sufficient market for the units. The motion was approved unanimously.

Ms. Nichol presented two competing proposals, one from Lyndel J. Wishcamper and one from Timothy Mayo and James Loney, to rehabilitate the Darling Inn in Lyndonville to provide 24 or 27 units of Section 8 housing for the elderly. Commissioner Ledbetter entered during this presentation. After extended discussion it was moved and seconded to give preliminary approval to the Mayo/Loney proposal and to forward this proposal to VSHA for submission to HUD. The motion was approved by a vote of 5-0, Commissioner Spangler abstaining.

Ms. Nichol presented a proposal from Randall Associates to rehabilitate an existing building and to construct new units at 323-325 St. Paul Street in the Burlington NSA, to provide 11 units of Section 8 housing for families. It was moved and seconded to give preliminary approval of this proposal and to forward it to the City of Burlington for submission to HUD. The motion was approved by a vote of 6-0.

Executive Director Hunt presented his proposal for a new Energy Loan program. Discussion ensued. It was moved and seconded to establish a new Energy Loan program with the following features:

- (1) the Agency will purchase a portion of existing mortgage loans from banks' portfolios to yield 6 percent net to the Agency;
- (2) banks will be required to use the proceeds of these participation purchases to make new loans at 8.5 percent cost to borrowers';
- (3) the purpose of these new loans must be to make improvements that conserve heating expenses;
- (4) borrower's income limit will be \$20,000 annual combined family income;
- (5) loan limit will be \$2,500;
- (6) all lending institutions in the state will be eligible to participate;
- (7) a total of \$2,000,000 is authorized for the program;
- (8) the program shall be extensively publicized.

The Board considered but rejected requirements for certifications, audit by HEAT teams, competitive bids from banks, and minimum monthly payments.

The motion was approved by a vote of 6-0.

Mr. Hunt presented a proposal from David DuBrul for construction of condominiums of Site 2a of the Lane Shops complex, and a request for Agency commitment to provide permanent financing for 50 percent of the condominiums. It was moved and seconded to table the request until Mr. DuBrul does something about the Carr Building on Site 4 of the Lane Shops complex. The motion was approved by a vote of 6-0.



Mr. Hunt presented a request from the Swanton branch of the Chittenden Trust Company to provide permanent financing for additional single-family homes to be built with a passive solar heating design under the HUD Section 235 program. It was moved and seconded to allocate \$200,000 to Chittenden Trust Company under the "New Homes Program", for permanent financing of Section 235 houses with passive solar design in the Swanton branch lending area. The motion was approved by a vote of 6-0.

Mr. Hunt presented the Board with a resolution entitled, "Resolution Ratifying and Confirming the Issuance of Promissory Notes pursuant to a Note Financing Agreement and Providing for an Increase in the Principal Amount Authorized to be Issued," (attached as appendix). The resolution was moved and seconded, and approved by a vote of 6-0.

Mr. Hunt presented a proposed lease for office space at 135 Church Street. It was moved and seconded to authorize the Executive Director to execute the proposed lease for a period of three years. The motion was approved by a vote of 6-0.

Mr. Hunt recommended that the Board authorize issuance of Letters of Intent to finance the following developments:

- (1) 94-106 Maple Street, Burlington (Duggan),
- (2) 97 King Street, 195 St. Paul Street, Burlington, Vermont (Jensen),
- (3) 113-117 Maple Street, Burlington (Eno),
- (4) Danville/St. Johnsbury (Kirker),
- (5) Newbury (Knight),
- (6) Waterbury (Parisi),
- (7) Randolph (Caron).

It was moved and seconded to authorize issuance of Letters of Intent to finance these developments. The motion was approved by a vote of 6-0.

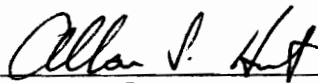
The Board was presented with a letter to Chairman Field from Commissioner Martin Harris of Vermont State Housing Authority. Acting in his capacity as architect for the Bensen/Orwell development, Mr. Harris requested a waiver of VHFA property standards prohibiting apartments in which sole access to a bathroom is through a bedroom. After discussion, it was moved and seconded to disapprove the request for waiver. The motion was approved by a vote of 6-0.

The Commissioners then discussed the issue of Mr. Harris' conflict of interest in serving both as a Commissioner of Vermont State Housing Authority and as the architect and processing agent for a development seeking VSHA and VHFA financing. The development has apparently complied with all normal requirements for a Letter of Intent except the Executive Director's recommendation and Commissioners' approval. It was moved and seconded to notify the developer that VHFA will be willing to issue a Letter of Intent after a satisfactory resolution of the conflict of interest, including receipt of a waiver from HUD of the conflict of interest provision of the Housing Assistance Payments Contract. The motion was approved by a vote of 6-0.

Ms. Nichol presented a request from Mr. Ed Steele, developer of the Waterbury I project, to transfer ownership of the development to a corporation wholly owned by himself. It was moved and seconded to approve the request, provided that Mr. Steele personally guarantee all obligations of the corporation under the Note, the Mortgage and Security Agreement, the Regulatory Agreement, the HAP Contract, etc. The motion was approved by a vote of 6-0.

Ms. Nichol presented a request by a proposed developer of a project in Norwich to waive VHFA's 12-units per site limit for family housing. She reported that the developer wished to construct 20 units of subsidized family housing on a large site, together with additional units of unsubsidized housing. It was moved and seconded to table the request, pending further information about how the subsidized units will be dispersed among the market units, and whether the market units will be built before the subsidized units are occupied. The motion was approved.

The meeting was adjourned at 12:30 p.m.

  
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Allan S. Hunt, Secretary

Attachment



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

## VERMONT HOUSING FINANCE AGENCY

### MINUTES OF THE VHFA CONFERENCE CALL 2:15 p.m., November 2, 1979

PRESENT: Chairman Field, Commissions Shaw, Ledbetter, Hebard, Spangler and Myette; Director Hunt, Andy Gurley and Frank Colman of Goldman Sachs; John Ingalls of Hawkins, Delafield & Wood; Ed DeSeare of Brown, Wood.

Chairman Field opened the meeting by asking Andy Gurley to update the Board on marketing efforts for the 1979 Series A, Multi-Family Mortgage Bonds. Mr. Gurley indicated that sales were going well at a net yield of 8.47%, a rate which is high relative to other agency issues but a reflection of the existing conditions in the market, compared to other deals pending, the rates appear to be favorable. Mr. Gurley indicated that marketing efforts were begun early due to the many bond issues scheduled for next week.

Mr. Gurley indicated the only major outstanding problem was a new bill introduced by Representative Al Ullman which provided that all bonds sold after April 15, 1979 be in a registered form. The orders that were taken by Goldman Sachs were for unregistered bonds and underwriters were reluctant to change at this point. Additionally, Mr. Gurley noted that he expected a technical amendment to be introduced which would eliminate the necessity for these bonds to be registered.

After extensive discussion relative to the legality and effect of the Ullman Bill, it was moved and seconded to sell the \$17.2 million in bonds to an underwriter syndicated led by Goldman Sachs and E.F. Hutton at a net interest cost to the Agency of 8.47%. The motion was approved unanimously.

It was agreed to meet at the Howard Bank at 11:30 a.m. on Monday to sign a Contract of Purchase for the sale of the bonds.

There being no further business to come before the Board, a motion was made and unanimously approved to adjourn.



ANDREW R. FIELD, Chairman  
ALLAN S. HUNT, Executive Director

MINUTES OF  
VERMONT HOUSING FINANCE AGENCY  
BOARD MEETING  
Monday, November 5, 1979, 11:45 a.m.  
Boardroom, Chittenden Trust Company, Burlington

PRESENT: Vice-Chairman Shaw, Commissioners Hebard, Ledbetter, and Myette (by speakerphone); Executive Director Hunt, Mr. Dickson, Ms. Nichol, Mr. Frazier, Mr. Kochman, VHFA; Mr. Gurley, Goldman-Sachs & Company; Mr. Sylvester and Mr. Cooper, E.F. Hutton & Company, Inc.; Mr. Ingalls, Hawkins, Delafield & Wood; Mr. DeSear, Ms. Stern, Brown, Wood, Ivey, Mitchell & Petty; Mr. Woolf, Howard Bank; members of the press.

Vice-Chairman Shaw called the meeting to order. Mr. Ingalls presented the Commissioners with the Multi-Family Series Resolution (attached) and described its contents. The Commissioners discussed various provisions of the Series Resolution. It was moved and seconded to authorize the Executive Director to select appropriate Boston and New York paying agents, based on the criteria of lowest cost per coupon if all other things are equal. The motion was approved.

Mr. Ingalls also presented the Commissioners with the proposed Contract of Purchase authorized by the Series Resolution. The Commissioners also discussed various provisions of the Contract of Purchase, including a condition of sale imposed by the underwriters that the most recent Ullman bill, HR 5741, be amended to delete a requirement that all bonds be issued in registered form.

Mr. Gurley presented an estimate of the projected cash flow from this Series, comparisons with other issues, and a breakdown of the underwriters' spread.

It was moved and seconded to adopt the resolution entitled, "Series Resolution Authorizing the Issuance and Sale of \$17,300,000 Multi-Family Mortgage Bonds, 1979 Series A". The motion was approved by a vote of 4-0.

Ms Nichol presented a series of recommendations for VHFA construction financing of specific projects, on the terms and conditions previously approved in concept by the Commissioners. These recommendations included 100 percent of the construction financing for developments in Chelsea and Randolph and certain developments in Burlington NSA, and participation with other lenders in construction financing for developments in Rochester, Danville, St. Johnsbury, Newbury, Fair Haven, and certain other developments in the Burlington NSA. The Chelsea recommendation was conditioned on the developers putting in as equity the additional necessary \$15,000 to cover increases in construction costs. (Copies of the proposed resolutions are attached.) It was moved and seconded to adopt the resolutions as proposed. The motion also included a \$10,677 mortgage increase and \$1,110 annual rent increase for the Newbury project to cover the higher interest rate, and a \$3,033 mortgage increase and \$315 rent increase for 97 King Street, 195 St. Paul Street for the same purpose. The motion was approved by a vote of 4-0.

The meeting was adjourned at 1:00 p.m.

Respectfully submitted,

  
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Allan S. Hunt Secretary


Attachments

VERMONT HOUSING FINANCE AGENCY

WAIVER OF NOTICE

I hereby waive notice of the meeting of Vermont Housing Finance Agency held on the 5<sup>th</sup> day of November, 1989.

Issued at Montpelier, Vermont this 2<sup>d</sup> day of May 1980.


  
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Commissioner, Vermont  
Housing Finance Agency

VERMONT HOUSING FINANCE AGENCY

WAIVER OF NOTICE

I hereby waive notice of the meeting of Vermont Housing Finance Agency held on the 5<sup>th</sup> day of November, 1981.

Issued at Montpelier, Vermont this 20<sup>th</sup> day of May 1981.



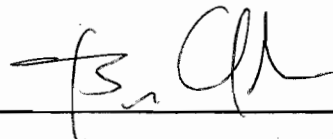
Commissioner, Vermont  
Housing Finance Agency

VERMONT HOUSING FINANCE AGENCY

WAIVER OF NOTICE

I hereby waive notice of the meeting of Vermont Housing Finance Agency held on the 2nd day of November, 1979.

Issued at New Haven, Vermont this 2nd day of May 1980.



Commissioner, Vermont  
Housing Finance Agency




VERMONT HOUSING FINANCE AGENCY

WAIVER OF NOTICE

I hereby waive notice of the meeting of Vermont Housing Finance Agency held on the 23rd day of October, 1989.

Issued at Montpelier, Vermont this 2d day of May 1989.

  
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Commissioner, Vermont  
Housing Finance Agency

VERMONT HOUSING FINANCE AGENCY

WAIVER OF NOTICE

I hereby waive notice of the meeting of Vermont Housing Finance Agency held on the 3<sup>rd</sup> day of December, 1979.

Issued at So. Burl. VT., Vermont this 30<sup>th</sup> day of April 1980.

Richard A. Myette  
Commissioner, Vermont fern/pa  
Housing Finance Agency